



PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

02-17
PM

1 AN ACT ...; **relating to:** the budget; motor vehicle registration under the
2 International Registration Plan and commercial motor vehicle out-of-service
3 violations; the budget; relating to:the budget; relating to:a federal community
4 services block grant appropriation, eliminating federal appropriations;
5 allocation of crime victim and witness surcharge; the budget; relating to:the
6 budget; relating to:the budget; relating to:the budget; relating to:the budget;
7 relating to:the budget; relating to:the budget; the distribution of child support
8 payments; the filing of an addendum with social security numbers in a
9 paternity action; relating to:the budget; relating to:the budget; relating to:the
10 budget; relating to:the budget; relating to:the budget; relating to:the budget;
11 relating to:the budget; relating to:the budget; relating to:the budget; relating
12 to:the budget; relating to:the budget; relating to:the budget; relating to:the
13 budget; relating to:the budget; relating to:state finances and appropriations,
14 constituting the executive budget act of the 2011 legislature; relating to:the
15 budget; relating to:the budget; relating to:the budget; relating to:the budget;

relating to:the budget; relating to:the budget; relating to:the budget; relating
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budget; relating to:the budget; relating to:the budget; relating to:the budget;
relating to:the budget; relating to:eliminating annual reporting requirement
regarding certain University of Wisconsin System appropriations; the budget;
relating to:the budget; the budget; relating to:the budget; relating to:the
budget; relating to:the budget; relating to:revising the levy limits that apply to
political subdivisions; relating to:the budget; relating to:the budget; relating
to:the budget; relating to:the budget; relating to:the budget; relating to:the
budget; the budget; the budget; relating to:the budget; relating to:the budget;
public financing of campaigns for state offices and the individual income tax
checkoff for public financing of campaigns; relating to:the budget; relating
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relating to:the budget; relating to:the budget; the budget; the budget; the
budget; relating to:changing timing of application process under the open
enrollment program and permitting certain pupils to submit open enrollment
applications outside of the regular application period; relating to:the budget;
relating to:the budget; relating to:the budget; relating to:the budget; relating

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6 relating to:the budget; the budget; relating to:the budget; relating to:the
7 budget; relating to:the budget; relating to:the budget; relating to:changing the
8 percentages of the federal credit that may be claimed under the earned income
9 tax credit; relating to:repealing indexing provisions under the homestead tax
10 credit; relating to:the budget; relating to:the budget; relating to:the budget;
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16 budget; relating to:the budget; relating to:the budget; relating to:the budget;
17 relating to:child care facilities for state employees in the central Madison area;
18 relating to:the budget; relating to:the budget; relating to:the budget; relating
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22 to:the budget; relating to:the budget; relating to:the budget; relating to:the
23 budget; relating to:the budget; relating to:creating a procedure for certain
24 taxpayers to exclude from income certain capital gains from the sale of
25 Wisconsin-sourced assets; eliminating the fee for having land rezoned out a

1 farmland preservation zoning district and eliminating the program for
2 purchasing agricultural conservation easements; relating to:the budget;
3 relating to:the budget; relating to:the budget; relating to:the budget; relating
4 to:the budget; relating to:the budget; relating to:appointment of the director
5 and staff of the federal-state relations office; relating to:authorizing a county
6 to operate a courthouse self-help center and to impose and collect a fee for
7 providing such services; relating to:the budget; relating to:the budget; relating
8 to:the budget; relating to:the budget; relating to:the budget; the budget;
9 relating to:the budget; relating to:the budget; the budget; relating to:the
10 budget; authorizing cities and towns, and expanding the authority of villages,
11 to create combined protective services departments; relating to:phasing in a
12 reduction of individual income tax rates and eliminating the top bracket;
13 relating to:the budget; relating to:the budget; the budget; relating to:the
14 budget; relating to:the budget; relating to:the budget; relating to:the budget;
15 relating to:the budget; relating to:the budget; relating to:the budget; relating
16 to:the budget; relating to:the budget; relating to:the budget; relating
17 to:creating an individual income tax deferral for certain long-term capital
18 gains that are reinvested in a qualified Wisconsin business; relating to:the
19 budget; relating to:the budget; relating to:liability, legal representation and
20 expenses resulting from interchange of employees and services between this
21 state and the state of Minnesota.?; relating to:creation of the Office of Business

- 1 Development in the Department of Administration; relating to the budget;
2 relating to the budget and making an appropriation.
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Analysis by the Legislative Reference Bureau

***** ANALYSIS FROM -0028/2 *****

EDUCATION

PRIMARY AND SECONDARY EDUCATION

This bill eliminates from the statutes three obsolete appropriations to DPI. The appropriations were for the 2009-10 fiscal year only; each provided funds for grants to specified school districts for various purposes.

***** ANALYSIS FROM -0040/P1 *****

TRANSPORTATION

DRIVERS AND MOTOR VEHICLES

Under current law, DOT must refuse, or suspend, registration of a vehicle for certain specified reasons. Current law also requires DOT, subject to certain conditions, to implement the International Registration Plan (IRP). The IRP is a registration reciprocity agreement among various jurisdictions, including states and Canadian provinces, providing for apportionment by these jurisdictions of the vehicle registration fees of motor carriers operating in more than one jurisdiction.

This bill requires DOT to refuse registration of a vehicle if the applicant applies for IRP registration and the applicant identifies as the motor carrier responsible for vehicle safety a motor carrier that is subject to a federal out-of-service order for unsatisfactory safety compliance, based upon notice received by DOT. For motor vehicles already registered with DOT under the IRP, if DOT receives notice that a motor carrier has been issued a federal out-of-service order for unsatisfactory safety compliance, DOT must suspend the registration of each motor vehicle for which this motor carrier is identified on the vehicle's registration application as the motor carrier responsible for vehicle safety. DOT must also refuse or suspend registration under the IRP for a vehicle that has been identified by the Federal Motor Carrier Safety Administration as having been assigned for safety to a motor carrier whose business is operated, managed, or otherwise controlled or affiliated with a person that has been issued a federal out-of-service order for unsatisfactory safety compliance. The bill also allows DOT to refuse or suspend registration of a vehicle under the IRP if DOT determines that the motor carrier identified on the motor vehicle's registration application as the motor carrier responsible for vehicle safety is the same or substantially the same business, or that elements of the motor carrier operation are the same or substantially the same business elements, as a motor carrier that has been issued a federal out-of-service order for unsatisfactory safety compliance. If DOT refuses or suspends registration of a motor vehicle under the IRP for any of these reasons, the motor vehicle may still be registered under any registration category, other than the IRP, for which the motor vehicle qualifies. If DOT suspends registration of a motor vehicle under the IRP for any of these reasons,

DOT must reinstate the vehicle's registration when the reason for the suspension has been removed and applicable reinstatement fees are paid.

The bill allows DOT to seize and destroy vehicle registration plates if the vehicle is registered under the IRP of this state or another state and the motor carrier identified on the vehicle's registration application as the motor carrier responsible for vehicle safety has been issued a federal out-of-service order for unsatisfactory safety compliance.

Under current law, DOT may issue to nonresident owners or operators of vehicles not required to be registered in this state trip permits authorizing vehicle operation in this state for a 72-hour period. This bill prohibits DOT from issuing these trip permits for any motor vehicle for which the motor carrier identified on the permit application as the motor carrier responsible for safety of the vehicle has been issued a federal out-of-service order for unsatisfactory safety compliance.

Current law prohibits a person from operating a commercial motor vehicle while the person or the commercial motor vehicle is ordered out-of-service under state or federal law. A person is disqualified from operating a commercial motor vehicle for a specified time period if the person is convicted of operating a commercial motor vehicle while the operator or vehicle is ordered out-of-service under state or federal law.

This bill prohibits a person from operating a commercial motor vehicle for which the motor carrier identified on the motor vehicle's registration application as the motor carrier responsible for vehicle safety has been issued a federal out-of-service order for unsatisfactory safety compliance, while this federal out-of-service order is in effect. A person who violates this prohibition is disqualified from operating a commercial motor vehicle for the same time periods applicable to other out-of-service violations.

***** ANALYSIS FROM -0046/3 *****

EDUCATION

PRIMARY AND SECONDARY EDUCATION

Current law authorizes DPI to establish and maintain an administrative leadership academy for mid-career school district administrators and principals. This bill eliminates this provision.

Current law also authorizes DPI to apply to the University of Wisconsin Hospitals and Clinics for the admission of a pupil attending the school operated by the Wisconsin Educational Services Program for the Deaf and Hard of Hearing or the school operated by the Wisconsin Center for the Blind and Visually Handicapped. This bill eliminates DPI's authority to pay the cost of such hospital treatment.

***** ANALYSIS FROM -0056/1 *****

TRANSPORTATION

DRIVERS AND MOTOR VEHICLES

Under current law, DOT issues and delivers a certificate of title to the owner of a vehicle upon receipt of a proper application to title the vehicle. If there is a security interest in the vehicle, the security interest is noted on the certificate of title and the vehicle owner, not the secured party, holds the certificate of title.

Under this bill, if there is a security interest in a vehicle, DOT issues the certificate of title in the name of the vehicle owner but delivers the certificate of title to the secured party having the primary perfected security interest in the vehicle. Therefore, the secured party, not the vehicle owner, holds the certificate of title. This certificate of title may be in an automated format, including an electronic or digital form.

Under current law, a dealer, distributor, manufacturer, or transporter of vehicles may register with DOT and obtain issuance of vehicle registration plates. A finance company or financial institution may also register with DOT and obtain issuance of vehicle registration plates. Under certain circumstances, the dealer, distributor, manufacturer, transporter, finance company, or financial institution may display these plates on an unregistered vehicle and legally operate the vehicle on the highway. These plates are valid for a calendar year and, upon renewal of the plates, DOT may issue a registration tag or decal instead of issuing new plates.

This bill allows DOT to renew these registration plates without issuing new plates, tags, or decals.

Under current law, if a vehicle owner creates a security interest in a vehicle, the owner and the secured party are usually required to follow certain procedures to have the secured party identified on the vehicle's certificate of title. When certain requirements are met, DOT issues to the vehicle owner a new certificate of title containing the name and address of the new secured party. DOT must also deliver to the new secured party and to the register of deeds of the county of the owner's residence memoranda evidencing the notation of the security interest on the certificate.

Under this bill, DOT must deliver to the new secured party memoranda evidencing the notation of the security interest on the certificate of title only if the secured party is exempt from electronic filing of security interests.

OTHER TRANSPORTATION

Under current law, DOT may accept payment by credit card, debit card, or any other electronic payment mechanism of certain fees, which generally derive from transactions related to motor vehicles or motor vehicle operators. DOT may charge a convenience fee for each transaction in which payment by credit card, debit card, or other electronic payment mechanism is made. The amount of the convenience fee is established by DOT by rule, but must approximate the cost to DOT of providing the payment service. Until a rule is promulgated, the convenience fee is set by statute at \$2.50 for each transaction.

This bill allows DOT to accept payment by credit card, debit card, or any other electronic payment mechanism of any fee, not limited to fees in connection with transactions related to motor vehicles or motor vehicle operators. The bill also allows DOT to charge a convenience fee whenever payment by credit card, debit card, or other electronic payment mechanism is made.

This bill also allows DOT to establish procedures for conducting any transaction in an electronic format or using an electronic process. DOT may promulgate rules requiring a person to pay an additional fee for conducting an in-person, telephone, or paper transaction in lieu of using an electronic filing or

submission option when DOT has made an electronic filing or submission option available.

***** ANALYSIS FROM -0059/4 *****

HEALTH AND HUMAN SERVICES

OTHER HEALTH AND HUMAN SERVICES

Current law includes two general appropriations to DCF for the expenditure of all block grant moneys received from the federal government, one as aids to individuals and organizations and one for state administration of federal block grants. This bill carves out of those two appropriations a new appropriation to DCF of all moneys received from the federal government specifically from the community services block grant to be expended for both assistance and administration under the Community Services Block Grant Program. In addition, the bill eliminates an appropriation to DCF of federal moneys for local assistance.

***** ANALYSIS FROM -0097/P3 *****

This is a preliminary draft. An analysis will be provided in a later version.

***** ANALYSIS FROM -0107/P2 *****

This is a preliminary draft. An analysis will be provided in a later version.

***** ANALYSIS FROM -0136/3 *****

NATURAL RESOURCES

OTHER NATURAL RESOURCES

Under current law, if DNR receives funds from the sale of atlases, those funds are credited to an appropriation account in the conservation fund to be used for expenses associated with the maintenance of facilities and the production of maps and other customer services. This bill repeals that appropriation.

Current law also provides that, if DNR receives gifts and contributions under the Wisconsin natural areas heritage program or moneys from the sale of certain state-owned lands, those amounts are credited to an appropriation account in the general fund to be used for natural heritage and natural area land acquisition activities and for administration of the natural areas inventory program. This bill repeals that appropriation and provides instead that the amounts be credited to an appropriation account in the conservation fund and used for the same purposes specified in the repealed appropriation.

***** ANALYSIS FROM -0137/1 *****

NATURAL RESOURCES

NAVIGABLE WATERS

Under current law, DNR administers a financial assistance (grant) program for projects that increase the safety of dams including projects to maintain, repair, or remove a dam. Generally, dam owners, including municipalities and public inland lake protection and rehabilitation districts, are eligible to receive a grant only if DNR has issued a directive to the owner to repair, maintain, or remove the dam or to take other action to increase the dam's safety. Under current law, in order for a dam owner to obtain a grant, the owner must request the grant within six months after having

received a directive from DNR. This bill eliminates the deadline for making a request for a grant under the grant program.

***** ANALYSIS FROM -0139/1 *****

NATURAL RESOURCES

NAVIGABLE WATERS

Under current law, DNR provides lake management planning grants for activities to improve water quality assessment and planning. DNR may provide a grant of 75 percent of the cost of a lake management planning project up to a total of \$10,000 per grant. This bill raises this limit from \$10,000 to \$25,000 per grant.

***** ANALYSIS FROM -0141/1 *****

NATURAL RESOURCES

OTHER NATURAL RESOURCES

This bill lapses a total of \$335,000 in fiscal year 2011-12 and \$335,000 in fiscal year 2012-13 to the conservation fund from several appropriations to DNR, including the appropriation for grants for lake management projects.

***** ANALYSIS FROM -0142/2 *****

NATURAL RESOURCES

RECREATION

Under current law, the money DNR receives from the sale of nonresident all-terrain vehicle (ATV) trail passes are credited to an appropriation under which DNR provides incentive payments to landowners for ATV trails or ATV corridors that are open to the public. This bill limits the amount that may be spent for these payments to a specific amount in each fiscal year. The bill also lapses from this appropriation a total of \$894,000 in fiscal year 2011-12 to the conservation fund.

***** ANALYSIS FROM -0143/2 *****

NATURAL RESOURCES

OTHER NATURAL RESOURCES

Current law authorizes the state under the stewardship program administered by DNR to incur public debt to provide matching grants to certain governmental units and nonprofit conservation organizations to acquire land or easements for certain conservation activities. Under current law, the acquisition costs for the lands or easements to be used in calculating the amount of a grant equal the current fair market value plus any other acquisition costs, such as survey or appraisal costs, if the land has been owned by the person conveying the land for three years or more. If the land has been owned for one year or more but less than three years, the acquisition costs equal the sum of the current owner's acquisition price and an annual adjustment increase (adjusted price). If the land has been owned for less than one year, the acquisition costs equal the current owner's acquisition price.

Under this bill, the acquisition costs for land that has been owned for one year or more but less than three years equal the adjusted price or the current fair market value, whichever is lower. The acquisition costs for land that has been owned for less than one year equal the current owner's acquisition price or the current fair market value of the land, whichever is lower.

Under current law, for some but not all of these grants, at least two appraisals are required when it is necessary to determine the fair market value. Under the bill, at least two appraisals are required for all of these grants.

***** ANALYSIS FROM -0146/1 *****

HEALTH AND HUMAN SERVICES

CHILDREN

Current law requires that payments received for child support be applied first to child support that is due in the month in which the payment is received, then to any unpaid child support that was due before the payment was received, and finally to any interest that has accrued on unpaid child support. Under federal law, payments received for child support must be distributed in a different order if the payee is receiving or has received aid under the Temporary Assistance for Needy Families block grant program. This bill provides an exception to the order in which payments received for child support are distributed if federal statutes or regulations require a different order.

***** ANALYSIS FROM -0147/1 *****

HEALTH AND HUMAN SERVICES

OTHER HEALTH AND HUMAN SERVICES

Under current law, in an action affecting the family, such as a divorce, when the petition commencing the action is filed, the social security numbers of the parties, of each minor child of the parties, and of each child born to the wife during the marriage must be filed with the court on a form that is separate from the petition. This bill limits the social security numbers that must be filed for children born to the wife during the marriage to those of minor children who were born to the wife during the marriage. The bill also provides that, in a paternity action, the form with the social security numbers of the parties and minor child must be filed with the court within five business days after paternity is adjudicated, rather than at the beginning of the action when the petition is filed.

***** ANALYSIS FROM -0148/P2 *****

HEALTH AND HUMAN SERVICES

WISCONSIN WORKS

The Wisconsin Works (W-2) program under current law provides work experience and benefits for low-income custodial parents who are at least 18 years old. Also, an individual who is the parent of a child under the age of 13 or, if the child is disabled, under the age of 19, who needs child care services to participate in various educational or work activities, and who satisfies other eligibility criteria may receive a child care subsidy for child care services under the W-2 program (Wisconsin Shares). Under current law, counties set the maximum rates at which child care providers who provide services under Wisconsin Shares are reimbursed for their services, subject to review, approval, and modification by DCF. Current law, however, prohibits DCF from increasing the maximum Wisconsin Shares child care provider reimbursement rates in 2009, 2010, or before June 30, 2011. Current law also requires DCF to submit to JCF a plan for implementing the child care quality rating system (quality rating plan). This bill provides that before June 30, 2013, DCF

may not increase the maximum Wisconsin Shares child care provider reimbursement rates, but may modify an individual child care provider's reimbursement rate on the basis of the child care provider's quality rating, as that term is described in the quality rating plan, as follows: a provider who receives a one-star rating may be denied reimbursement; a provider who receives a two-star rating may have the maximum reimbursement rate reduced by up to 5 percent; a provider who receives a three-star rating will receive reimbursement at the maximum rate; a provider who receives a four-star rating may have the maximum reimbursement rate increased by up to 5 percent; and a provider who receives a five-star rating may have the maximum reimbursement rate increased by up to 10 percent. In addition, DCF is authorized to use a severity-index tool, as that term is described in the quality rating plan, to disqualify providers who receive low-quality ratings from providing child care services in Wisconsin Shares.

***** ANALYSIS FROM -0149/1 *****

HEALTH AND HUMAN SERVICES

PUBLIC ASSISTANCE

Under current law, DCF allocates specific amounts of federal moneys in each fiscal year, including Child Care Development Funds (CCDF) and moneys received under the Temporary Assistance for Needy Families (TANF) block grant program, for various public assistance programs and for child care-related purposes, including its day care licensing activities. This bill increases, decreases, and continues those allocations, and makes a new allocation for services provided under the child welfare program improvement plan developed under federal regulations.

***** ANALYSIS FROM -0151/1 *****

HEALTH AND HUMAN SERVICES

PUBLIC ASSISTANCE

Under current law, DHS provides benefits under the food stamp program to qualified aliens, unless such benefits are restored by the federal government. Under federal law, a state may, but is not required to, provide food stamp benefits to qualified aliens, and any state that does provide such benefits must pay the whole cost itself. This bill eliminates the provision of FoodShare benefits to qualified aliens, except to the extent that it is required under federal law.

***** ANALYSIS FROM -0152/P1 *****

INSURANCE

OCI administers the state life insurance fund (fund). The fund may issue any type of life insurance policy, not exceeding \$10,000, to a state resident. Premiums are paid into the fund and net profits are distributed annually among policyholders. Under current law, the fund is required to pay a fee to DOA of 2 percent of net premiums collected by the fund for general services rendered by state agencies that are not otherwise charged to the fund. This bill eliminates the requirement for the fund to pay the 2-percent fee to DOA, since all services provided to the fund are charged and paid by the fund.

***** ANALYSIS FROM -0153/P1 *****

HEALTH AND HUMAN SERVICES

OTHER HEALTH AND HUMAN SERVICES

This bill transfers from DWD to DCF one position, and any incumbent employee holding that position, that is primarily related to local agency reimbursement contracts for programs administered by DCF. The bill also transfers from DCF to DHS three positions, and any incumbent employee or employees holding those positions, that are primarily related to automation security for the Client Assistance for Reemployment and Economic Support (CARES) system. All transferred incumbent employees retain the same rights and status after the transfer that they enjoyed before the transfer.

***** ANALYSIS FROM -0157/3 *****

AGRICULTURE

Under current law, DATCP makes grants for agricultural and forestry research and development projects, including grants to expand and diversify agricultural production. This bill increases the maximum grant from \$50,000 to \$100,000.

***** ANALYSIS FROM -0158/P2 *****

JUSTICE

Under current law, when a person is convicted of a crime, or if a person was charged with a crime but the criminal charge was amended to a civil offense and a court finds that the person committed the civil offense, the person pays a crime victim and witness assistance surcharge. DOJ uses a percentage of the surcharge to provide grants for sexual assault victim services.

This bill specifies that DOJ may use some of the funds it provides as grants for sexual assault victim services to pay the costs of administering the grant program.

***** ANALYSIS FROM -0160/2 *****

AGRICULTURE

Under current law, DATCP administers the Soil and Water Resource Management Program. The program funds grants for land and water resource management projects. This bill increases the general obligation bonding authority for the Soil and Water Resource Management Program by \$7,000,000.

***** ANALYSIS FROM -0164/1 *****

ENVIRONMENT

WATER QUALITY

Current law generally prohibits a person from discharging pollutants into the waters of this state without a wastewater discharge permit from DNR. Discharge permits often contain requirements to use specified technology to reduce the amount of pollutants in the wastewater discharged. A discharge permit may include more stringent requirements if needed to achieve water quality standards for the waters receiving the discharge. This kind of requirement is called a water quality based effluent limitation. Under current law, after DNR reissues or modifies a discharge permit to include a water quality based effluent limitation, the permittee may apply to DNR for a variance from the water quality standard that is the basis for the limitation.

Under this bill, if a permittee applies for reissuance of a discharge permit that contains a variance or anticipates that DNR will add a water quality based effluent limitation when it reissues a discharge permit, the permittee may request a variance when it applies for reissuance of the permit, rather than waiting until after DNR reissues the permit. This bill also extends the maximum term of a variance from three to five years, which is the maximum term of a discharge permit.

***** ANALYSIS FROM -0167/P1 *****

TAXATION

INCOME TAXATION

Under current law, for calendar years beginning after December 31, 2007, a person who claims an early stage seed or angel investment income and franchise tax credit must pay back the amount of the credit, if the person holds the investment for which the credit relates for less than three years. This bill makes clear that investments made after December 31, 2007, must be held for at least three years in order for the investor to receive and keep the amount of the credit.

***** ANALYSIS FROM -0169/P2 *****

TAXATION

INCOME TAXATION

Under current law, an investment in a qualified new business venture may be claimed as an angel investment income and franchise tax credit if the investment is made by certain persons, including partnerships and liability companies that are nonoperating entities, as determined by the Department of Commerce (Commerce). This bill clarifies that, under current law, a tax-option corporation that is a nonoperating entity, as determined by Commerce, may also make investments that may be claimed as angel investment credits.

***** ANALYSIS FROM -0170/P1 *****

TAXATION

INCOME TAXATION

Under current law, a person may claim an income and franchise tax credit equal to 10 percent of the amount the person paid in the taxable year to modernize or expand the person's dairy manufacturing operation in this state. The aggregate amount of the credit that a person may claim is \$200,000. Partnerships, limited liability companies, tax-option corporations, and dairy cooperatives may not claim the credit, but partners, members, and shareholders of such entities may claim the credit based on the amounts paid by the entities. Under current law, the aggregate amount of credits that a partnership, limited liability company, tax-option corporation, or dairy cooperative may compute for its partners, members, or shareholders is \$200,000 for each of the entity's dairy manufacturing facilities.

Under this bill, only a dairy cooperative may compute its aggregate credit amount as \$200,000 for each of its dairy manufacturing facilities.

***** ANALYSIS FROM -0174/3 *****

HEALTH AND HUMAN SERVICES

MEDICAL ASSISTANCE

Under current law, DHS administers the Medical Assistance (MA) program, which is a jointly funded federal and state program that provides health services to individuals who have limited resources. Early and periodic screenings and subsequent treatment for individuals under 21 years of age; home health services prescribed by a physician; services and supplies prescribed by a physician for family planning; physical and occupational therapy; speech, hearing, and language disorder services; medical day treatment services, mental health services, and alcohol and other drug abuse services; nursing services; personal care services; mental health and psychosocial rehabilitative services provided by certain staff; respiratory care services for ventilator-dependent individuals; case management services; care coordination for women with high-risk pregnancies; prenatal, postpartum, and young child care coordination; care coordination and follow-up for persons having lead poisoning or lead exposure; mental health crisis intervention services; and case management services for recipients with high-cost chronic health conditions or high-cost catastrophic health conditions (covered services) are among services that are covered under the MA program. Currently DHS may make MA payment adjustments to a county department for covered services. DHS then may decrease a county's allocation of community aids moneys by the amount of MA payment adjustments paid from general purpose revenue by DHS.

This bill creates a second procedure under which DHS may make payments to county departments for covered services. Under the second procedure, county departments must submit, annually, certified cost reports to DHS for covered services. DHS must base the amount of a claim for federal MA funds on the certified cost reports the county departments submit. For those covered services, under the second procedure, DHS must pay county departments a percentage, as established in the state's most recent biennial budget, of the federal funds claimed.

Currently, DHS may make payments to certain local health departments for MA services under the first payment procedure. This bill allows DHS to also pay local health departments under the second payment procedure.

The bill requires DHS to select which payment procedure it will use and allows DHS to change which procedure it uses. DHS must notify county and local departments before the date on which payment for services is made under the selected or newly selected procedure.

Under current law, DHS may make MA payments to providers of home health services prescribed by a physician, personal care services, respiratory care services for ventilator-dependent individuals, and home health services under the BadgerCare Plus Benchmark plan from a certain general purpose revenue appropriation account. This bill eliminates the authority for DHS to pay providers from that appropriation account for those services provided on or after January 1, 2012.

*** ANALYSIS FROM -0178/1 ***

EMPLOYMENT

Current law requires DWD to make grants, from certain appropriations of general purpose revenues (GPR), program revenues (PR), and federal revenues, to persons providing employment and training activities for certain unemployed individuals who are defined under federal law as “dislocated workers.” This bill deletes GPR and PR appropriations for those grants.

*** ANALYSIS FROM -0179/P1 ***

INTRODUCTION

This bill is the “executive budget bill” under section 16.47 (1) of the statutes. It contains the governor’s recommendations for appropriations for the 2011–2013 fiscal biennium.

The bill repeals and recreates the appropriation schedule in chapter 20 of the statutes, thereby setting the appropriation levels for the 2011–2013 fiscal biennium. The descriptions that follow relate to the most significant changes in the law that are proposed in the bill. In most cases, changes in the amounts of existing spending authority and changes in the amounts of bonding authority under existing bonding programs are not discussed.

For additional information concerning this bill, see the Department of Administration’s publication *Budget in Brief* and the executive budget books, the Legislative Fiscal Bureau’s summary document, and the Legislative Reference Bureau’s drafting files, which contain separate drafts on each policy item. In most cases, the policy item drafts contain a more detailed analysis than is printed with this bill.

GUIDE TO THE BILL

As is the case for all other bills, the sections of the budget bill that affect statutes are organized in ascending numerical order of the statutes affected.

Treatments of prior session laws (styled “laws of [year], chapter” from 1848 to 1981, and “[year] Wisconsin Act” beginning with 1983) are displayed next by year of original enactment and by act number.

The remaining sections of the budget bill are organized by type of provision and, within each type, alphabetically by state agency. The first two digits of the four-digit section number indicate the type of provision:

- 91XX Nonstatutory provisions.**
- 92XX Fiscal changes.**
- 93XX Initial applicability.**
- 94XX Effective dates.**

The remaining two digits indicate the state agency or subject area to which the provision relates:

- XX01 Administration.**
- XX02 Aging and Long-Term Care Board.**

- XX03 Agriculture, Trade and Consumer Protection.**
- XX04 Arts Board.**
- XX05 Board for People with Developmental Disabilities.**
- XX06 Building Commission.**
- XX07 Child Abuse and Neglect Prevention Board.**
- XX08 Children and Families.**
- XX09 Circuit Courts.**
- XX10 Commerce.**
- XX11 Corrections.**
- XX12 Court of Appeals.**
- XX13 District Attorneys.**
- XX14 Educational Communications Board.**
- XX15 Employee Trust Funds.**
- XX16 Employment Relations Commission.**
- XX17 Financial Institutions.**
- XX18 Government Accountability Board.**
- XX19 Governor.**
- XX20 Health and Educational Facilities Authority.**
- XX21 Health Services.**
- XX22 Higher Educational Aids Board.**
- XX23 Historical Society.**
- XX24 Housing and Economic Development Authority.**
- XX25 Insurance.**
- XX26 Investment Board.**
- XX27 Joint Committee on Finance.**
- XX28 Judicial Commission.**
- XX29 Justice.**
- XX30 Legislature.**
- XX31 Lieutenant Governor.**
- XX32 Local Government.**
- XX33 Medical College of Wisconsin.**
- XX34 Military Affairs.**
- XX35 Natural Resources.**
- XX36 Public Defender Board.**
- XX37 Public Instruction.**
- XX38 Public Lands, Board of Commissioners of.**
- XX39 Public Service Commission.**
- XX40 Regulation and Licensing.**
- XX41 Revenue.**
- XX42 Secretary of State.**
- XX43 State Employment Relations, Office of.**
- XX44 State Fair Park Board.**
- XX45 Supreme Court.**
- XX46 Technical College System.**
- XX47 Tourism.**

- XX48 Transportation.**
- XX49 Treasurer.**
- XX50 University of Wisconsin Hospitals and Clinics Authority.**
- XX51 University of Wisconsin Hospitals and Clinics Board.**
- XX52 University of Wisconsin System.**
- XX53 Veterans Affairs.**
- XX54 Workforce Development.**
- XX55 Other.**

For example, for general nonstatutory provisions relating to the State Historical society, see SECTION 9123. For any agency that is not assigned a two-digit identification number and that is attached to another agency, see the number of the latter agency. For any other agency not assigned a two-digit identification number or any provision that does not relate to the functions of a particular agency, see number "55" (**Other**) within each type of provision.

In order to facilitate amendment drafting and the enrolling process, separate section numbers and headings appear for each type of provision and for each state agency, even if there are no provisions included in that section number and heading. Section numbers and headings for which there are no provisions will be deleted in enrolling and will not appear in the published act.

Following is a list of the most commonly used abbreviations appearing in the analysis.

DATCP ...	Department of Agriculture, Trade and Consumer Protection
DCF	Department of Children and Families
DETF	Department of Employee Trust Funds
DFI	Department of Financial Institutions
DHS	Department of Health Services
DMA	Department of Military Affairs
DNR	Department of Natural Resources
DOA	Department of Administration
DOC	Department of Corrections
DOJ	Department of Justice
DOR	Department of Revenue
DOT	Department of Transportation
DPI	Department of Public Instruction
DRL	Department of Regulation and Licensing
DVA	Department of Veterans Affairs
DWD	Department of Workforce Development
JCF	Joint Committee on Finance
OCI	Office of the Commissioner of Insurance
PSC	Public Service Commission
UW	University of Wisconsin
WHEDA ..	Wisconsin Housing and Economic Development Authority
WHEFA ...	Wisconsin Health and Educational Facilities Authority

***** ANALYSIS FROM -0183/1 *******HEALTH AND HUMAN SERVICES****CHILDREN**

Current law requires DCF to establish a pilot program under which a county department of human services or social services (county department) or, in a county having a population of 500,000 or more (Milwaukee County), DCF or a licensed child welfare agency under contract with DCF (collectively "agency") may employ alternative responses to a report of suspected or threatened child abuse or neglect. Under the pilot program, a county department or agency must respond to such a report as follows:

1. By investigating the report and determining whether child abuse or neglect has occurred or is likely to occur, if there is reason to suspect that substantial abuse or neglect has occurred or is likely to occur or if an investigation is otherwise necessary to ensure the safety of the child and his or her family.

2. By conducting a comprehensive assessment of the safety of the child and his or her family, the risk of subsequent abuse or neglect, and the strengths and needs of the child's family to determine whether services are needed and offering those services on a voluntary basis, if there is reason to suspect that abuse or neglect, other than substantial abuse or neglect, has occurred or is likely to occur, but there is no immediate threat to the safety of the child or his or her family and intervention by the court assigned to exercise jurisdiction under the Children's Code is not necessary.

3. By referring the child's family to a service provider in the community for the provision of appropriate services on a voluntary basis, if there is no reason to suspect that abuse or neglect has occurred or is likely to occur.

Current law permits DCF to select one agency in Milwaukee County and not more than four county departments to participate in the pilot program. This bill eliminates those caps on the number of agencies or county departments that DCF may select to participate in the pilot program.

***** ANALYSIS FROM -0191/P1 *******VETERANS AND MILITARY AFFAIRS**

Under current law, an eligible national guard member may apply for a tuition grant for a course at a qualifying school if the guard member submits a tuition grant application to DMA no later than 60 days after the completion date of the course. This bill extends the time for filing the tuition grant application to 90 days after the completion date of the course.

***** ANALYSIS FROM -0194/3 *******COMMERCE AND ECONOMIC DEVELOPMENT****COMMERCE*****Securities***

Under current law, a person cannot transact business in this state as an investment adviser unless the person is registered with DFI's division of securities (division) as an investment adviser or is exempt from registration. An "investment adviser" is a person that, for compensation, engages in the business of advising

others, either directly or through various forms of media, as to the value of securities or the advisability of investing in, purchasing, or selling securities or that, for compensation and as a part of a regular business, issues reports or analyses concerning securities. However, the term "investment adviser" excludes investment adviser employees, certain professionals such as lawyers and accountants, certain broker-dealers, financial institutions, and newspapers and magazines of general circulation.

Current law provides an investment adviser registration exemption for persons that have only certain types of clients in this state. These clients include federal covered investment advisers; investment advisers registered with the division; broker-dealers registered with the division; institutional investors; and accredited investors. Current law defines "institutional investor" to include, among others, banks and other financial institutions; insurance companies; investment companies; federally-registered broker-dealers; private business development companies meeting certain standards; certain qualified institutional buyers, as defined under federal law; and other entities of institutional character with assets of more than \$10,000,000. The term "accredited investor" is defined to include banks or other financial institutions; federally-registered broker-dealers; insurance companies; investment companies; private business development companies; certain trusts with assets of more than \$5,000,000; and entities in which all of the equity owners are accredited investors.

This bill eliminates the "institutional investor" registration exemption for private business development companies, qualified institutional buyers, and other entities of institutional character with assets of more than \$10,000,000. The bill also eliminates the "accredited investor" registration exemption for private business development companies, trusts with assets of more than \$5,000,000, and entities in which all of the equity owners are accredited investors.

***** ANALYSIS FROM -0197/1 *****

HEALTH AND HUMAN SERVICES

OTHER HEALTH AND HUMAN SERVICES

Under current law, DWD, through the division of vocational rehabilitation, is required to provide homecraft services to persons with severe disabilities. According to the division of vocational rehabilitation, the division has not provided homecraft services since 2003 when it was determined that homecraft services do not satisfy federal standards related to vocational rehabilitation.

This bill removes the requirement that DWD provide homecraft services to persons with severe disabilities.

***** ANALYSIS FROM -0200/P1 *****

COMMERCE AND ECONOMIC DEVELOPMENT

COMMERCE

Under current law, the Department of Commerce (Commerce) awards to eligible motor carriers grants of 50 percent of the eligible costs for idling reduction units installed on certain diesel truck tractors. Currently, Commerce must require

that applicants receiving grants covering more than one unit purchase units of more than one type and from more than one manufacturer.

This bill deletes the requirement to purchase units of more than one type and from more than one manufacturer.

***** ANALYSIS FROM -0201/P1 *****

COMMERCE AND ECONOMIC DEVELOPMENT

COMMERCE

Under current law, the Department of Commerce (Commerce) awards to eligible motor carriers grants of 50 percent of the eligible costs for idling reduction units installed on certain diesel truck tractors. Currently, Commerce must withhold payment of at least 20 percent of a grant until the recipient has complied with certain grant conditions, including providing Commerce with information relating to the operation and performance of each idling reduction unit covered by the grant.

This bill deletes the withholding requirement.

***** ANALYSIS FROM -0203/P3 *****

CORRECTIONAL SYSTEM

JUVENILE CORRECTIONAL SYSTEM

Under current law relating to community youth and family aids (generally referred to as "youth aids"), DOC must allocate to counties various state and federal moneys to pay for state-provided juvenile correctional services and local delinquency-related and juvenile justice services. This bill sets the amounts of youth aids that DOC must allocate to counties in the 2011-13 fiscal biennium, based on a 10 percent reduction from the 2009-11 fiscal biennium. The bill also deletes federal economic stimulus funds as a funding source for youth aids.

***** ANALYSIS FROM -0207/8 *****

STATE GOVERNMENT

STATE FINANCE

This bill requires the secretary of administration to lapse to the general fund from the unencumbered balances of general purpose revenue and program revenue appropriations to executive branch state agencies, other than sum sufficient appropriations and appropriations of federal revenues, an amount equal to \$72,500,000 in each fiscal year of the 2011-13 and 2013-15 fiscal biennia, subject to a 14-day passive review process by JCF. Under the bill, all executive branch state agencies, except for the UW System with respect to its program revenue appropriations, are subject to the lapse provisions. The bill further requires the secretary to make additional lapses to the general fund from general purpose revenue and program revenue appropriations to most executive branch state agencies and the courts during the 2011-13 and 2013-15 fiscal biennia.

The bill requires the cochairpersons of the Joint Committee on Legislative Organization to take actions during the 2011-13 fiscal biennium to ensure that from general purpose revenue appropriations to the legislature an amount equal to \$9,232,200 is lapsed from sum certain appropriation accounts or is subtracted from the expenditure estimates for any other types of appropriations, or both.

***** ANALYSIS FROM -0208/1 *****

ENVIRONMENT

OTHER ENVIRONMENT

This bill eliminates provisions relating to a transfer of Indian gaming receipts to the environmental fund in fiscal years 2001-02 and 2002-03.

***** ANALYSIS FROM -0214/P5 *****

CORRECTIONAL SYSTEM

JUVENILE CORRECTIONAL SYSTEM

Under current law relating to community youth and family aids, generally referred to as "youth aids," DOC is required to allocate various state and federal moneys to counties to pay for state-provided juvenile correctional services and local delinquency-related and juvenile justice services. DOC charges counties for the costs of services provided by DOC according to per person daily cost assessments specified in the statutes (the "daily rate"). Currently, the daily rate is \$275 for care in a juvenile correctional facility, \$275 for care for juveniles transferred from a juvenile correctional institution, \$313 for care in a residential care center for children and youth, \$200 for care in a group home, \$75 for care in a foster home, \$130 for care in a treatment foster home, \$103 for corrective sanctions services, and \$41 for aftercare services. This bill makes the following changes to those daily rates:

1. For fiscal year 2011-2012, the daily rate is \$284 for care in a juvenile correctional facility, \$284 for care for juveniles transferred from a juvenile correctional institution, \$99 for corrective sanctions services, and \$40 for aftercare services.

2. For fiscal year 2012-2013, the daily rate is \$289 for care in a juvenile correctional facility, \$289 for care for juveniles transferred from a juvenile correctional institution, \$100 for corrective sanctions services, and \$40 for aftercare services.

3. In addition, the bill eliminates the specific dollar amounts for the daily rates for care for juveniles in a residential care center for children and youth, group home, and or foster home, and instead provides that the daily rate for each of those types of care is an amount equal to the amount the provider of that care charges DOC. The bill also deletes treatment foster care from the list of services for which DOC charges a daily rate.

***** ANALYSIS FROM -0215/P3 *****

CORRECTIONAL SYSTEM

JUVENILE CORRECTIONAL SYSTEM

Under current law, sum certain amounts are appropriated to DOC for juvenile correctional services, juvenile residential aftercare services, and juvenile corrective sanctions services. This bill provides that, if there is a deficit in the juvenile correctional services appropriation account at the end of a fiscal year, certain unencumbered balances in the juvenile residential aftercare services and juvenile corrective sanctions services appropriation accounts, up to the amount of the deficit and less any amounts required to be remitted to counties or deposited in the general fund, are transferred to the juvenile correctional services appropriation account.

***** ANALYSIS FROM -0216/P1 *****

CORRECTIONAL SYSTEM

JUVENILE CORRECTIONAL SYSTEM

Under current law, DHS operates the Mendota Juvenile Treatment Center (center) as a juvenile correctional facility, to provide evaluations and treatment for juveniles whose behavior presents a serious problem to themselves or others in other juvenile correctional facilities and whose mental health needs can be met at the center. Currently, DOC is required to transfer to DHS for those services certain amounts of general purpose revenues and program revenues specified in the statutes. This bill sets those amounts for fiscal years 2011-12 and 2012-13.

***** ANALYSIS FROM -0222/1 *****

RETIREMENT AND GROUP INSURANCE

Currently, the Group Insurance Board (GIB) must offer to state employees and annuitants long-term care insurance policies that have been approved for offering under contracts established by GIB if an insurance company requests that the policy be offered. This bill eliminates the authority of an insurance company to require GIB to offer its long-term care insurance policy.

***** ANALYSIS FROM -0236/4 *****

VETERANS AND MILITARY AFFAIRS

Under current law, appropriations made to DVA are organized into various programs. This bill reorganizes some of these appropriations so that there is a separate program for the Wisconsin Veterans Museum.

***** ANALYSIS FROM -0239/P2 *****

COURTS AND PROCEDURE

CIRCUIT COURTS

Under current law, circuit courts receive moneys for services and materials the circuit courts provide to counties, other state agencies, and others. This bill creates an appropriation of such moneys, other than moneys received from state agencies, to be used by the circuit courts for a variety of operations.

***** ANALYSIS FROM -0241/3 *****

HEALTH AND HUMAN SERVICES

HEALTH

Under current law, DHS regulates various types of long-term care providers, including one- and two-bed adult family homes.

This bill eliminates the requirement that DHS regulate one- and two-bed adult family homes. This bill also eliminates the requirement that DHS certify one- and two-bed adult family homes in order for one- and two-bed adult family homes to provide services to a person who is a recipient of the Family Care Program, a community-based long-term care MA waiver program, or supplemental security income.

***** ANALYSIS FROM -0243/2 *****

HEALTH AND HUMAN SERVICES

MEDICAL ASSISTANCE

Currently, the federal Centers for Medicare and Medicaid Services (CMS) oversees the Medical Assistance (MA) program, which is administered in this state by DHS. MA provides benefits to eligible individuals who reside in a nursing home or a certain licensed community-based residential facility. CMS currently uses a method, called "Resource Utilization Groupings III," to categorize residents of facilities by the level of needed resources. These categories are used to calculate the payments to facilities under MA. This acuity-based payment system currently requires the incorporation of acuity measurements under the most recent "Resource Utilization Groupings III" methodology to set the case-mix adjustment. This bill changes the terminology to "Resource Utilization Groupings" and allows, instead of requires, the incorporation of acuity measurements for case-mix adjustment.

***** ANALYSIS FROM -0244/1 *****

HEALTH AND HUMAN SERVICES

MENTAL ILLNESS AND DEVELOPMENTAL DISABILITIES

Under current law, the Medical Assistance (MA) program, which provides health services to individuals with limited resources, is funded jointly by the federal government and the state. MA provides reimbursement to individuals for community recovery services if those services meet certain qualifications. This bill allows the state share of funding for community recovery services to originate from the community support programs and psychosocial services appropriation.

***** ANALYSIS FROM -0245/2 *****

ENVIRONMENT

WATER QUALITY

Under current law, DNR administers the targeted runoff management program to provide financial assistance for projects to reduce nonpoint source water pollution (that is, pollution from diffuse sources) in areas that are targeted due to surface water quality problems. This bill increases the authorized general obligation bonding authority for the targeted runoff management program by \$7,000,000.

***** ANALYSIS FROM -0246/2 *****

ENVIRONMENT

WATER QUALITY

Under current law, DNR administers programs to provide financial assistance for the management of urban storm water runoff and for flood control and riparian restoration projects. This bill increases the general obligation bonding authority for these programs by \$6,000,000.

***** ANALYSIS FROM -0247/2 *****

ENVIRONMENT

WATER QUALITY

Current law authorizes DNR to pay a portion of the costs of a project to remove contaminated sediment from Lake Michigan or Lake Superior or a tributary of Lake

Michigan or Lake Superior if the project is in a water body that DNR has identified, under the federal Clean Water Act, as being impaired and the impairment is caused by contaminated sediment. Current law authorizes the issuance of bonds for this purpose.

This bill increases the bonding authority for sediment removal projects by \$5,000,000.

***** ANALYSIS FROM -0248/2 *****

ENVIRONMENT

HAZARDOUS SUBSTANCES AND ENVIRONMENTAL CLEANUP

Current law authorizes DNR to conduct or fund activities to investigate and remedy environmental contamination in some situations. This bill increases the authorized bonding authority to finance those activities by \$3,000,000.

***** ANALYSIS FROM -0249/1 *****

NATURAL RESOURCES

NAVIGABLE WATERS

Under current law, DNR administers a financial assistance program for projects that increase dam safety, including projects to maintain, repair, or remove a dam. Current law authorizes DNR to contract public debt for the purpose of funding the dam safety program. Under current law, DNR has bonding authority for the dam safety program of up to \$9,500,000. Debt service on this debt is paid from the general fund. DNR has additional bonding authority under the dam safety program of up to \$6,600,000, the debt service on which is paid from the conservation fund. This bill increases DNR's bonding authority, the debt service on which is paid from the general fund, by \$4,000,000.

***** ANALYSIS FROM -0252/P1 *****

OCCUPATIONAL REGULATION

This bill creates a continuing appropriation for all moneys received by DRL from gifts, grants, settlements, and proceeds, for the purposes for which the moneys are received.

***** ANALYSIS FROM -0279/1 *****

HEALTH AND HUMAN SERVICES

MENTAL ILLNESS AND DEVELOPMENTAL DISABILITIES

Under current law, DHS is required to issue a request for proposals to provide pharmacy management services for all state treatment facilities that provide diagnosis, care, or treatment for mental or emotional disturbance, developmental disability, alcoholism, or drug dependency. This bill eliminates that requirement.

***** ANALYSIS FROM -0311/1 *****

TRANSPORTATION

RAIL AND AIR TRANSPORTATION

Under current law, the state may contract up to \$126,500,000 in public debt for DOT to acquire railroad property and to provide grants and loans for railroad property acquisition and improvement. This bill increases this authorized general obligation bonding limit to \$186,500,000.

***** ANALYSIS FROM -0312/1 *****
TRANSPORTATION

OTHER TRANSPORTATION

Under current law, the state may contract up to \$66,100,000 in public debt for DOT to provide grants for harbor improvements. This bill increases this authorized general obligation bonding limit to \$78,800,000.

***** ANALYSIS FROM -0313/3 *****
TRANSPORTATION

HIGHWAYS

Under current law, the Building Commission may issue revenue bonds for major highway projects and transportation administrative facilities in a principal amount that may not exceed \$3,009,784,200.

This bill increases the revenue bond limit from \$3,009,784,200 to \$3,351,547,300.

***** ANALYSIS FROM -0315/2 *****
TRANSPORTATION

DRIVERS AND MOTOR VEHICLES

Under current law, an identification card issued by DOT must include a photograph of the card holder. DOT must, as part of the application process, take a photograph of the applicant and no application may be processed without the photograph being taken. An identification card is valid for a period of eight years, after which it may be renewed.

This bill authorizes DOT to renew identification cards by mail or by any electronic means available to DOT. However, DOT cannot make consecutive renewals by mail or electronic means, so only every other renewal can be completed by mail or electronic means. If DOT renews an identification card by mail or electronic means, DOT is not required to take a new photograph for the identification card. A photograph continues to be required on each identification card but, for mail or electronic renewals, DOT may use the last photograph taken.

Under current law, DOT must mail to the last-known address of a person who holds a motor vehicle operator's license, at least 30 days prior to the expiration of the license, a notice of the date on which the license must be renewed. For a person who holds an identification card issued by DOT, DOT must mail a renewal application to the person's last-known address at least 30 days prior to the expiration of the card.

This bill replaces these requirements with a requirement that DOT, at least 30 days prior to the expiration of an operator's license or identification card, provide to the licensee or card holder notice of renewal either by mail at the licensee's or card holder's last-known address or, if desired by the licensee or card holder, by any electronic means offered by DOT.

Under current law, if a person's operator's license has an "H" endorsement authorizing the transportation of certain hazardous materials, DOT must mail to the last-known address of the person, at least 60 days prior to the expiration of the "H" endorsement, a notice that the person is required to pass a security threat assessment screening as part of the application to renew the endorsement.

This bill allows DOT to provide this notice either by mail to the licensee's last-known address or, if desired by the licensee, by any electronic means offered by DOT.

***** ANALYSIS FROM -0316/1 *****

TRANSPORTATION

DRIVERS AND MOTOR VEHICLES

Under current law, with limited exceptions, an applicant for an operator's license is required to successfully complete a knowledge test and a driving skills (road) test. If a road test in a "Class D" vehicle, which includes automobiles and most other passenger vehicles, is required and administered by DOT, the applicant must pay to DOT an examination fee of \$15 for administering the road test. Payment of this examination fee entitles the applicant to take the road test not more than three times. If the applicant does not pass any of these three tests, the applicant must pay an additional \$15 examination fee, which entitles the applicant to three additional tests.

Under this bill, an applicant's \$15 examination fee for a road test in a "Class D" vehicle entitles the applicant to two tests. If the applicant does not pass either of these tests, the applicant must pay an additional \$15 examination fee for each test thereafter.

***** ANALYSIS FROM -0318/2 *****

TRANSPORTATION

DRIVERS AND MOTOR VEHICLES

Under current law, all vehicle registration plates must display the vehicle's registration number composed of numbers or letters or both, the name "Wisconsin" or abbreviation "Wis," and an indication of the vehicle's registration period or expiration date. In addition, most automobile registration plates must display the words "America's Dairyland" and an indication of the month and year of registration. When renewing a vehicle registration, DOT may issue an insert tag, decal, or other evidence of registration, to be placed on the vehicle's registration plate, to indicate the vehicle's period of registration. In addition, under current law, the registration plates for most vehicles registered on the basis of gross weight must indicate the weight class into which the vehicle falls.

This bill eliminates the requirements that vehicle registration plates display an indication of the vehicle's registration period or expiration date and that most automobile registration plates display an indication of the month and year of registration. The bill also eliminates DOT's issuance of insert tags and decals to indicate a vehicle's period of registration when renewing the vehicle's registration. The bill further eliminates the requirement that registration plates for most vehicles registered on the basis of gross weight indicate the weight class into which the vehicle falls. Instead, the gross weight must be shown on the vehicle's certificate of registration.

***** ANALYSIS FROM -0321/2 *****

Under current federal law, the REAL ID Act of 2005 (REAL ID Act) prohibits a federal agency from accepting for any "official purpose," including boarding

commercial aircraft and entering federal buildings, an operator's license or identification card issued by a state unless the state satisfies requirements contained in the REAL ID Act. The REAL ID Act allows states to issue operator's licenses and identification cards that are not compliant with REAL ID standards if they clearly state on their face that they cannot be accepted by any federal agency for federal identification or any other official purpose and if they use a unique design or color indicator to alert federal agency and other law enforcement personnel that they are not REAL ID compliant. Under 2007 Wisconsin Act 20 (the biennial budget act), certain provisions specified in the federal REAL ID Act are incorporated into state law when DOT provides notice that it is ready to implement the federal REAL ID Act. Among these provisions is the requirement that DOT follow certain procedures in processing applications for driver's licenses and identification cards and that each driver's license and identification card include a photograph.

This bill allows DOT, upon the implementation of the REAL ID Act in Wisconsin, to process applications for driver's licenses and identification cards in a manner other than that required by REAL ID if the driver's licenses and identification cards are marked to indicate that they are not REAL ID compliant and DOT processes the applications in compliance with DOT practices and procedures applicable immediately prior to implementation of REAL ID. An applicant for a REAL ID noncompliant driver's license or identification card will still be required to provide to DOT: 1) an identification document that includes either the applicant's photograph or both the applicant's full legal name and date of birth; 2) documentation showing the applicant's date of birth, which may be the same as item 1); 3) proof of the applicant's social security number or verification that the applicant is not eligible for a social security number; 4) documentation showing the applicant's name and address of principal residence; and 5) documentary proof that the applicant is a U.S. citizen or is otherwise lawfully present in the United States. However, in processing an application for a REAL ID noncompliant driver's license or identification card, DOT is not required to meet the standards for document retention and verification that are imposed for REAL ID compliant products.

Current law provides for limited exceptions allowing DOT to issue a driver's license that does not contain a photograph of the license holder, including, by DOT rule, a religious belief exception. There are no similar photograph exceptions under current law for identification cards. Under current law, after the implementation of REAL ID, all REAL ID compliant driver's licenses and identification cards must contain a photograph.

Under this bill, until the implementation of the REAL ID Act, the photograph exception for driver's licenses continues and a new religious belief photograph exception is created for identification cards. After the implementation of REAL ID, this bill creates a religious belief photograph exception for REAL ID noncompliant driver's licenses and identification cards.

***** ANALYSIS FROM -0352/3 *****

TRANSPORTATION

TRANSPORTATION AIDS

Under current law, DOT administers a general transportation aids program that makes aid payments to a county based on a share-of-costs formula, and to a village, city, or town (municipality) based on the greater of a share-of-costs formula or an aid rate per mile. The aid rate per mile is \$2,117 for calendar year 2011 and thereafter. This bill decreases the aid rate per mile to \$2,053 for calendar year 2012 and thereafter.

This bill decreases the maximum amount of aid that may be paid to counties under the program from the current limit of \$104,416,800 in calendar year 2011 and thereafter to \$93,975,100 in calendar year 2012 and thereafter. The bill also decreases the maximum amount of aid that may be paid to municipalities under the program from the current limit of \$328,507,300 in calendar year 2011 and thereafter to \$295,656,600 in calendar year 2012 and thereafter.

Also under current law, aid amounts payable to municipalities under the program may not be reduced by more than 5 percent annually and aid amounts payable to counties under the program may not be reduced by more than 2 percent annually. This bill provides that aid amounts payable to municipalities and counties under the program may not be reduced by more than 15 percent annually.

***** ANALYSIS FROM -0379/P1 *****

EDUCATION

HIGHER EDUCATION

Current law requires the Board of Regents of the UW System to submit annual reports to DOA and JCF on the amounts expended in the previous fiscal year under certain program revenue appropriations that exceeded the dollar amounts estimated for the fiscal year in the appropriations schedule. The appropriations for which the annual reporting requirement applies are appropriations for certain general operations receipts and auxiliary enterprises. This bill eliminates the annual reporting requirement.

***** ANALYSIS FROM -0380/P1 *****

EDUCATION

HIGHER EDUCATION

Under current law, specified amounts received from academic student fees are appropriated annually to the UW System Board of Regents for laboratory modernization and improvements in master's level business programs. Those UW appropriations are annual appropriations from program revenue receipts. Therefore, if an amount appropriated for a fiscal year is not encumbered in that fiscal year, the unencumbered amount may not be expended until the legislature authorizes the expenditure. This bill changes those UW appropriations from annual to continuing appropriations, which are expendable until fully depleted. The bill also clarifies the definition of a program revenue appropriation to ensure that the bill's changes to those UW appropriations are effective.

***** ANALYSIS FROM -0393/1 *****

EDUCATION

HIGHER EDUCATION

This bill eliminates a number of appropriations to the Board of Regents of the University of Wisconsin System.

***** ANALYSIS FROM -0429/2 *****

TRANSPORTATION

DRIVERS AND MOTOR VEHICLES

Under current law, DOT issues commercial driver licenses (CDLs) authorizing the licensee to operate certain commercial motor vehicles (CMVs). CMVs are motor vehicles that are designed or used to transport property or passengers and that weigh more than 26,000 pounds, transport 15 or more passengers plus the driver, or transport hazardous materials. An application to DOT for a CDL authorizing interstate operation of CMVs must include a certification by the applicant that he or she meets certain driver qualification requirements under federal law or federally-approved requirements established by DOT rule, including physical qualifications. If the application is for a CDL authorizing only intrastate operation of CMVs, the application to DOT must include a certification by the applicant that he or she meets driver qualification requirements for drivers in intrastate commerce established by DOT rule, including physical qualifications. If an applicant for a CDL does not meet the physical qualification requirements for CMV drivers operating in interstate commerce but is otherwise qualified to operate a CMV, DOT may issue to the applicant a CDL restricted to authorizing the operation of CMVs that are not in interstate commerce.

Under this bill, if a person issued a CDL authorizing operation of CMVs in interstate commerce does not have on file with DOT a current certification covering the person's physical qualifications to operate CMVs in interstate commerce, DOT may downgrade the CDL to a restricted CDL and impose a "K" restriction on the CDL restricting the licensee from operating CMVs in interstate commerce. DOT must promulgate rules to define "downgrade" in accordance with federal law and regulations or guidance from the applicable federal agency and to establish the process for downgrading a CDL and reinstating a CDL after it has been downgraded.

***** ANALYSIS FROM -0459/2 *****

TRANSPORTATION

HIGHWAYS

Current law includes specific provisions applicable to southeast Wisconsin freeway rehabilitation projects, including the Marquette interchange reconstruction project and the I 94 north-south corridor reconstruction project. Among the sources for funding southeast Wisconsin freeway rehabilitation projects, the state may contract up to \$553,550,000 in public debt, in the form of general obligation bonds, for DOT's funding of the Marquette interchange reconstruction project and the I 94 north-south corridor reconstruction project.

This bill increases from \$553,550,000 to \$704,750,000 the limit for this authorized general obligation bonding and allows proceeds from this bonding to also

be used to fund another southeast Wisconsin freeway rehabilitation project, the reconstruction of the Zoo interchange.

***** ANALYSIS FROM -0582/P3 *****

HEALTH AND HUMAN SERVICES

MEDICAL ASSISTANCE

Under current law, in certain counties, a person who meets certain functional and financial criteria and who is either a frail elder or an adult with a physical disability or a developmental disability is eligible for community-based services through Family Care, a medical assistance waiver program known as Family Care Partnership, the Program of All-Inclusive Care for the Elderly (PACE), or a self-directed supports options program (known as IRIS). In a county where Family Care, Family Care Partnership, PACE, or IRIS is available, this bill caps enrollment in an available program at the number of participants in that program on a specific date for the 2011-13 biennium.

Family Care is currently available only in certain counties. This bill also prohibits the expansion of Family Care to counties in which the program is not available on July 1, 2011, during the 2011-13 biennium, unless DHS determines that the expansion is cost-effective.

***** ANALYSIS FROM -0642/P3 *****

SHARED REVENUE

Under current law, a municipality may receive an expenditure restraint payment if its municipal budget has not increased from the previous year by more than the sum of an inflation factor and a valuation factor. The valuation factor is, generally, 60 percent of the municipality's property value. The inflation factor is the average annual percentage change in the U.S. consumer price index. Under current law, the inflation factor cannot be less than 3 percent. Under this bill, the inflation factor cannot be less than zero.

***** ANALYSIS FROM -0644/3 *****

LOCAL GOVERNMENT

Under current law, local levy limits are applied to the property tax levies that are imposed in December 2010. Current law prohibits any city, village, town, or county (political subdivision) from increasing its levy by a percentage that exceeds its "valuation factor," which is defined as the greater of either 3 percent or the percentage change in the political subdivision's equalized value due to new construction, less improvements removed. In addition, the calculation of a political subdivision's levy does not include any tax increment that is generated by a tax incremental district, and the base amount of a political subdivision's levy, on which the levy limit is imposed, is the maximum allowable levy for the immediately preceding year.

This bill extends the levy limits to the property tax levies that are imposed in December 2011 and 2012, and changes the limit to the greater of either zero percent or the percentage change in the political subdivision's equalized value due to new construction less improvements removed.

Also under current law, the base amount of a political subdivision's levy in any year is the maximum allowable levy for the immediately preceding year. Under this bill, the maximum base amount of a political subdivision's levy is limited to its actual levy for the immediately preceding year.

This bill also requires a political subdivision to reduce its levy limit if the amount of its levy in the current year, for its payment of debt service for debt issued before July 1, 2005, is less than its levy for that purpose in the previous year. The amount of the levy reduction is the amount by which its levy for such debt service was reduced.

***** ANALYSIS FROM -0664/1 *****

COMMERCE AND ECONOMIC DEVELOPMENT

FINANCIAL INSTITUTIONS

Under current law, DFI's general program operations, including those of the Division of Banking and the Division of Securities, are funded from an annual program revenue (PR) appropriation. However, program operations of DFI's office of credit unions are funded from a different annual PR appropriation.

This bill consolidates the PR appropriation for the office of credit unions' program operations with the general PR appropriation for program operations.

***** ANALYSIS FROM -0687/P1 *****

TAXATION

INCOME TAXATION

Under current law, the interest income from bonds issued by WHEFA is exempt from income taxation if the bond proceeds are used by a health facility to acquire information technology hardware or software. Under this bill, the interest income from bonds issued by WHEFA is also exempt from income taxation if the bonds are issued to a person who is eligible to receive bonds from another issuer for the same purpose and the interest income received from the other bonds is exempt from taxation.

***** ANALYSIS FROM -0698/3 *****

STATE GOVERNMENT

STATE FINANCE

Currently, the College Savings Program Board, which is attached to the Office of the State Treasurer, administers the EdVest program, which is a college savings plan established pursuant to federal law to enable families to contribute moneys to accounts for the college expenses of dependents. Earnings on moneys in these accounts are generally not taxable under state or federal law. In addition, under current law, the state treasurer administers another college savings program, which is now closed to new participants, that enables certain persons to purchase tuition credits for beneficiaries to attend certain institutions of higher education. This bill attaches the College Savings Program Board to DOA, as well as requires DOA to administer the other college savings program currently administered by the state treasurer. Other than moving the college savings programs to DOA, the bill makes no changes in either college savings program.

***** ANALYSIS FROM -0711/P4 *****

TAXATION

OTHER TAXATION

Under this bill, a percentage of the sales and use tax collected on the sale or use of motor vehicle parts and accessories is deposited into the transportation fund.

***** ANALYSIS FROM -0712/3 *****

STATE GOVERNMENT

STATE FINANCE

Under current law, in the state investment fund, there is a local government pooled-investment fund (fund). This fund consists of moneys placed by local governmental units for investment by the State of Wisconsin Investment Board (SWIB). The state treasurer has several duties relating to the fund, which include prescribing the mechanisms and procedures for deposits and withdrawals into and from the fund, providing monthly reports to local governments on the fund's earnings, and promulgating rules to administer the fund. This bill transfers these state treasurer duties to DOA.

***** ANALYSIS FROM -0713/2 *****

HEALTH AND HUMAN SERVICES

CHILDREN

Current law requires DCF to distribute certain general purpose revenues (GPR) and federal revenues to applying nonprofit corporations and public agencies to provide programs to, among other things, prevent and reduce the incidence of youth alcohol and other drug abuse (Brighter Futures Initiative). This bill requires DHS to transfer not more than \$865,000 in GPR in each fiscal year to DCF for the Brighter Futures Initiative.

***** ANALYSIS FROM -0721/6 *****

COMMERCE AND ECONOMIC DEVELOPMENT

FINANCIAL INSTITUTIONS

Under current law, a person may file an application to be a notary public with the Office of the Secretary of State (SOS). If the SOS determines that the applicant is qualified, the SOS issues a certificate of appointment and the person's commission as a notary public is valid for four years. However, for a person licensed to practice law, the commission as a notary public is permanent.

This bill transfers notary public functions from the Office of the SOS to DFI.

Under current law, a person may file for state trademark or service mark registration with the Office of the SOS. If applicable requirements are met, the SOS issues a certificate of registration of the mark. The SOS must also keep a record of brands used on beverage containers for which the SOS has received an application to record the brand. A lodge, fraternal society, or similar organization may also register with the SOS its identifying information, including its name, motto, emblem, or other insignia, and the SOS must keep a properly indexed file of these registrations.

This bill transfers these trademark and similar functions from the Office of the SOS to DFI.

Under current law, \$200,000 is transferred annually from a DFI appropriation for general program operations to an appropriation of the Office of the SOS for general program operations. This bill increases the amount of the transfer to \$325,000 annually.

***** ANALYSIS FROM -0724/1 *****

HEALTH AND HUMAN SERVICES

MEDICAL ASSISTANCE

The Birth to 3 waiver program and the disabled children's long-term support program are Medical Assistance (MA) waiver programs that permit DHS to offer home and community-based services to children under MA. Counties pay the nonfederal share of MA costs for services provided under the Birth to 3 waiver program and for services provided to some of the children in the disabled children's long-term support program. Currently, counties administer these programs and pay providers who provide services under the programs.

Under this bill, DHS will utilize a private entity to administer the Birth to 3 waiver program and the disabled children's long-term support program. The private entity will also pay providers for services provided under these programs.

This bill requires counties to pay the following costs by providing funds to DHS, rather than by paying the costs directly:

1. The nonfederal share of services the county provides without state funding under the disabled children's long-term support program.
2. The nonfederal share of benefits provided under the Birth to 3 waiver program.
3. The administration costs for the Birth to 3 waiver program.
4. The administration costs for services the county provides without state funding under the disabled children's long-term support program for a participant enrolled after January 1, 2011.

***** ANALYSIS FROM -0735/P1 *****

TAXATION

INCOME TAXATION

This bill changes the appropriation for the jobs tax credit from an annual appropriation to a continuing appropriation.

***** ANALYSIS FROM -0738/P1 *****

TAXATION

INCOME TAXATION

This bill changes the annual appropriation for the dairy manufacturing facility investment tax credit to a continuing appropriation.

***** ANALYSIS FROM -0778/3 *****

STATE GOVERNMENT

OTHER STATE GOVERNMENT

Currently, eligible candidates for the office of justice of the supreme court may receive state grants from the democracy trust fund. The grants are funded from general purpose revenue, which is provided to the fund when individual income tax

filers designate \$2 to be deposited into the fund. Currently, if the total amount of designations for the democracy trust fund does not generate sufficient revenue for the democracy trust fund, the deficiency is covered with an appropriation of general purpose revenue so that the maximum amounts of grants that are payable to all eligible candidates for the office of justice of the supreme court are paid in full. Currently, an eligible candidate for the office of justice of the supreme court may also receive supplemental grants from the democracy trust fund: a) if the eligible candidate is opposed by one or more candidates who decline to accept grants and who do not adhere to a specified spending level that is close to the grant amounts; and b) if one or more persons make independent expenditures in opposition to the eligible candidate or in support of one or more of the eligible candidate's opponents. Eligible candidates for the office of justice of the supreme court are severely limited in the total amount of private contributions that they may accept. The bill deletes the supplement from general purpose revenue which currently ensures that all eligible candidates for the office of justice of the supreme court receive the full amounts of the grants to which they are entitled. Under the bill, if there are insufficient moneys available to make payment of the full amounts of grants to which eligible candidates for the office of justice of the supreme court are entitled, the amounts of the grants are prorated to adjust for the deficiency. The bill also deletes the supplemental grants that are currently may become payable to eligible candidates for the office of justice of the supreme court. The bill permits candidates for the office of justice of the supreme court who accept grants to also accept additional private contributions in an amount sufficient to cover any deficiency in the public grants to which they would otherwise be entitled. The bill applies to grants awarded after December 31, 2011. Currently, the democracy trust fund is administered by the state treasurer. This bill transfers administration of the fund to the Government Accountability Board.

TAXATION

INCOME TAXATION

Currently, an individual filing an individual income tax return who has a tax liability or who is entitled to a tax refund may designate \$3 for the Wisconsin election campaign fund and the democracy trust fund. If the designation is made, \$2 of general purpose revenue is allocated to the democracy trust fund, which is used to finance the campaigns of eligible candidates for the office of justice of the supreme court and \$1 of general purpose revenue is allocated to the Wisconsin election campaign fund, which is used to finance the campaigns of eligible candidates for certain other state offices specified by law. A designation does not affect the amount of the tax liability of, or the amount of any refund payable to, the individual making the designation.

This bill provides that any designation of \$3 for the Wisconsin election campaign fund and the democracy trust fund made by an individual is added to the individual's tax liability or deducted from the individual's refund otherwise payable. The bill applies to designations made after December 31, 2011.

***** ANALYSIS FROM -0799/3 *****

TRANSPORTATION

TRANSPORTATION AIDS

Under current law, DOT provides state aid payments to local public bodies in urban areas served by mass transit systems to assist the local public bodies with the expenses of operating those systems. There are five classes of mass transit systems and the total amount of state aid payments to four of these classes of mass transit systems is limited to a specified amount in each calendar year. The fifth class is for certain commuter or light rail systems. There is no specified amount payable to the rail mass transit system class.

This bill decreases the total amount of state aid payments to the four classes of mass transit systems for which aid amounts are specified, as follows:

1. For mass transit systems having annual operating expenses of \$80,000,000 or more, the bill maintains the current limit of \$68,583,200 in calendar year 2011 and reduces the limit to \$61,724,900 in calendar year 2012 and thereafter.

2. For mass transit systems having annual operating expenses of over \$20,000,000 but less than \$80,000,000, the bill maintains the current limit of \$18,021,300 in calendar year 2011 and reduces the limit to \$16,219,200 in calendar year 2012 and thereafter.

3. For mass transit systems serving urban areas having a population of at least 50,000 but having annual operating expenses of no more than \$20,000,000, the bill maintains the current limit of \$25,852,500 in calendar year 2011 and reduces the limit to \$23,267,200 in calendar year 2012 and thereafter.

4. For mass transit systems serving urban areas having a population of less than 50,000, the bill maintains the current limit of \$5,852,200 in calendar year 2011 and reduces the limit to \$5,267,000 in calendar year 2012 and thereafter.

This bill also changes the funding source for mass transit operating aids from the transportation fund to the general fund beginning in the 2012-2013 fiscal year.

***** ANALYSIS FROM -0803/2 *****

TRANSPORTATION

DRIVERS AND MOTOR VEHICLES

Under current law, a person must pay to DOT a fee of \$53 for a first certificate of title for a vehicle or for a certificate of title after a vehicle is transferred. In addition, the person must pay an environmental impact fee of \$9 unless the vehicle is a low-speed vehicle. DOT deposits the environmental impact fee in the environmental fund for environmental management.

This bill repeals the environmental impact fee of \$9 and increases the certificate of title fee by \$9, from \$53 to \$62. The certificate of title fee is first available for the repayment of revenue bonds and, if not needed, is then deposited in the transportation fund.

***** ANALYSIS FROM -0807/P2 *****

COMMERCE AND ECONOMIC DEVELOPMENT

ECONOMIC DEVELOPMENT

Under current law, WHEFA may issue a bond to finance a qualifying project undertaken by a participating health or research institution, finance any project

undertaken for an educational facility, or refinance the debt of a participating institution. WHEFA may also engage in other contractual relations with participating institutions incident to its project financing or debt refinancing. This bill specifies that the entities with which WHEFA contracts may include an affiliate entity that controls, is controlled by, or is under common control with, an entity organized under the laws of Wisconsin or authorized by Wisconsin law to provide or operate certain facilities.

Current law also authorizes WHEFA to acquire property within Wisconsin for the construction or operation of a project. The bill authorizes WHEFA to acquire property in connection with a project whether or not the property is located in Wisconsin, and the bill authorizes WHEFA to issue a bond for a project located outside of Wisconsin if that project includes a substantial component located in Wisconsin, as determined by WHEFA's executive director.

***** ANALYSIS FROM -0809/3 *****

HEALTH AND HUMAN SERVICES

MEDICAL ASSISTANCE

Under current law, DHS administers the Medical Assistance (MA) program, which is a joint federal and state program that provides health services to individuals with limited resources. DHS makes payments to providers of those health services and other payments related to MA out of various appropriation accounts, including a general purpose revenue (GPR) appropriation account; a program revenue (PR) appropriation account containing moneys from MA cost sharing, penalty assessments, and the pharmacy benefits purchasing pool; and the MA trust fund. These expenditures sometimes generate refunds from providers, third party liability payments, drug rebates, audit recoveries, and other collections.

Under current law, a refund of an expenditure received in the same fiscal year as the original expenditure was made is deposited in the appropriation account from which the expenditure was made, if the secretary of administration designates it as a refund of an expenditure. Under certain circumstances, an agency may expend the refund of an expenditure. Current law requires that revenue received by an agency incidentally in connection with GPR appropriations that is not designated as a refund of an expenditure and for which there is no PR appropriation be designated GPR revenue-earned. This revenue is not available for expenditure by the agency.

This bill creates a PR appropriation account into which moneys received from provider refunds, third party liability payments, drug rebates, audit recoveries, and other collections related to expenditures from the GPR appropriation account, the MA cost-sharing appropriation account, and the MA trust fund for the MA program, regardless of the fiscal year in which the expenditure was made, are deposited. DHS may expend the moneys in this PR appropriation account for the same purposes it expends moneys from the GPR appropriation account for the MA program.

***** ANALYSIS FROM -0823/P1 *****

JUSTICE

Under current law, the Office of Justice Assistance (OJA) receives money from the federal government for project grants to improve the administration of criminal justice. From this money, OJA must provide an annual grant of \$150,000 to the

Wisconsin Court Appointed Special Advocate (CASA) Association for the support, assistance, and development of court-appointed special advocate programs. This bill repeals that requirement.

***** ANALYSIS FROM -0827/P1 *****

STATE GOVERNMENT

OTHER STATE GOVERNMENT

Under current law, the Office of Justice Assistance (OJA) oversees the operation of a statewide public safety interoperable communication system, which is a system designed to allow public safety agencies to communicate with each other and with other pertinent entities as needed. OJA currently may charge a state public safety agency a fee for using the system, and the fees are used for operating the system. Under this bill, OJA may charge other entities that are not state agencies a fee for using the system, and the fees are used for operating the system.

***** ANALYSIS FROM -0829/P6 *****

CORRECTIONAL SYSTEM

ADULT CORRECTIONAL SYSTEM

2009 Wisconsin Act 28 (the Act) made several changes to the adult correctional system, most of which took effect on October 1, 2009. Prior to the effective date of the provisions relating to the adult correctional system (pre-Act), a person who was imprisoned for a felony he or she committed prior to December 31, 1999, was allowed to petition the parole commission in DOC to be released to parole after the person served 25 percent of his or her sentence, or six months, whichever was greater. The parole commission determined whether, and under what conditions, the person should be released to parole. A person who committed a felony on or after December 31, 1999, is sentenced to a bifurcated sentence, with the first portion of the sentence served in confinement and the second portion served under extended supervision in the community.

Pre-Act, a person who was serving a bifurcated sentence was, with few exceptions, required to serve the entire confinement portion of his or her sentence before being released to extended supervision. A person's confinement portion could have been extended if he or she violated a prison regulation. If a person's confinement portion was extended for such a violation, the law pre-Act required his or her extended supervision portion to be reduced so that the total length of the person's sentence remained unchanged.

The law pre-Act allowed a person who is sentenced to a bifurcated sentence for a Class C to Class I felony to petition the sentencing court to adjust his or her sentence and release the person from prison to extended supervision if he or she has served 85 percent (for Class C to Class E felonies) or 75 percent (for Class F to Class I felonies) of the confinement portion of the sentence. If a person's confinement portion was reduced by the sentencing court, the law pre-Act required his or her extended supervision portion to be extended so that the total length of the person's sentence remained unchanged. Pre-Act, a person who was released to extended supervision was required to serve his or her entire sentence before extended supervision terminated.

The Act eliminates the role of the sentencing court in adjusting sentences and renamed the parole commission the earned release review commission (ERRC). The Act allows most persons who are incarcerated for a Class C to Class I felony to earn "positive adjustment time" toward early release from confinement. Under the Act, the amount of positive adjustment time a person can earn varies depending on the classification of the felony, the person's history and likelihood of reoffending, and other factors determined by DOC.

The Act requires DOC to release the person to extended supervision when he or she serves his entire period of confinement, minus positive adjustment time earned. Under the Act, if a person's period of confinement is reduced by positive adjustment time, his or her period of extended supervision is increased so that the length of the sentence does not change. The Act requires the ERRC to perform the duties previously performed by the parole commission and to review petitions for early release from confinement.

Under the Act, the sentencing court could, at the time of sentencing, order a person to serve a risk reduction sentence. A person serving a risk reduction sentence could be eligible for early release to extended supervision if he or she complies with a treatment plan developed for the person by DOC.

Pre-Act, persons who had committed most felonies were allowed to petition the sentencing court for release to extended supervision for the remaining term of his or her sentence if the person had a terminal condition, reached age 65 after serving at least five years of his or her term of confinement portion, or reached age 60 after serving at least ten years of his or her term of confinement portion.

Under the Act, the petition may also be filed by a person with any serious health condition and must be submitted to the ERRC instead of to the sentencing court. In addition, under the Act, DOC may release to extended supervision any person serving the confinement portion of a bifurcated sentence if the person is not confined following a violent offense, the person is believed to be able to live in the community without assaulting another, and the release will not be more than 12 months before the date that the person otherwise would be eligible for release to extended supervision. If DOC releases a person, his or her term of extended supervision must be extended by the length of time he or she was originally sentenced to confinement so that the total length of the sentence does not change.

Pre-Act, if a person sentenced to a bifurcated sentence violated any condition of his or her release to extended supervision, the person's extended supervision was revoked, he or she was returned to prison, and the division of hearings and appeals within DOA or DOC (reviewing authority) made a recommendation to the court that convicted the person as to how long the person should remain in prison. After it received the reviewing authority's recommendation, the court was allowed to order the person to remain in prison for a period that did not exceed the time remaining on his or her bifurcated sentence.

Under the Act, the reviewing authority determines how long to imprison the person whose extended supervision is revoked and enters its own order for the person to remain in prison for a period that does not exceed the time remaining on his or her bifurcated sentence.

This bill eliminates positive adjustment time and risk reduction sentences, restores the parole commission, eliminates the ERRC, and returns the sentencing provisions, and most of the provisions relating to early release from confinement to pre-Act law. Under the bill, a person may petition the sentencing court for release to extended supervision for the remaining term of his or her sentence if the person has an extraordinary health condition, reaches age 65 after serving at least five years of his or her term of confinement portion, or reaches age 60 after serving at least ten years of his or her term of confinement portion.

Under the bill, a person who was sentenced after October 1, 2009, but before the effective date of the bill, and who earned positive adjustment time during that period may petition the sentencing court for an early release to extended supervision. If the sentencing court agrees to reduce the confinement portion of the person's sentence by the number of positive adjustment time days he or she earned, the sentencing court must increase the term of extended supervision by the same number of days. Under the bill, a person who was sentenced to a risk reduction sentence after October 1, 2009, but before the effective date of the bill and who complied with the program plan developed by DOC may be released to extended supervision after he or she serves at least 75 percent of the confinement portion of his or her sentence.

***** ANALYSIS FROM -0830/P5 *****

COURTS AND PROCEDURE

CIRCUIT COURTS

Under current law, with a few exceptions, a person who files a civil action, an action in small claims court, or a wage garnishment action or against whom a civil forfeiture is assessed pays a \$21.50 justice information surcharge. Of that amount, \$7.50 is credited to the development and operation of an automated justice information system, \$6 is credited to the operation of a circuit court automated information system, \$4 is credited to DOA to provide civil legal services to indigent persons, \$1.50 is credited to counties to provide alternatives to prosecution and incarceration for certain alcohol-related or other drug-related crimes, \$1.50 is credited to the Office of Justice Assistance (OJA) for statistical gathering and analyses, and \$1 remains in the general fund.

Under the bill, \$700,000 of the moneys from the justice information surcharge remain in the general fund. The balance is credited to an appropriation account and DOA is required to transfer moneys to various agencies for the following purposes: to provide grants for law enforcement officers; to fund child advocacy centers; to provide victim notification services; to pay for court interpreters; to pay for assistant district attorney positions; to fund state and local information and technology and administrative costs associated with traffic stop data collection; to administer an interoperable public safety communications system; and to administer an automated justice information system.

The bill eliminates the funding for the OJA to gather and analyze statistics and for the provision of civil legal services to indigent persons; and requires district attorney offices to work with the Office of State Employment Relations to allocate the money transferred for assistant district attorneys.

***** ANALYSIS FROM -0836/P3 *****

EDUCATION

PRIMARY AND SECONDARY EDUCATION

Current law limits the increase in the total amount of revenue per pupil that a school district may receive from general school aids and property taxes in the 2011-12 school year to \$275 and in the 2012-13 school year to the percentage change in the consumer price index. This bill reduces the revenue limit for all school districts, including new school districts, school districts from which territory is detached, and consolidated school districts, by 6.48 percent in the 2011-12 school year. For the 2012-13 school year, a school district may not increase the revenues it receives per pupil from general school aids and property taxes above the amount it received in the 2011-12 school year.

Current law exempts a school district from the revenue limit if its per pupil revenue is less than a statutory revenue ceiling, currently set at \$9,800. This bill decreases the per pupil revenue ceiling to \$8,800 for the 2011-12 school year and for any subsequent school year.

Current law also provides that, if a school district's revenue limit, as calculated before any adjustments, is less than the district's base revenue from the previous school year, the district's initial revenue limit would be set at the prior year's base revenue. This bill eliminates this base revenue stabilization provision.

***** ANALYSIS FROM -0837/P1 *****

EDUCATION

PRIMARY AND SECONDARY EDUCATION

Under current law, the number of pupils who may attend a private school under the Milwaukee Parental Choice Program is limited to 22,500. This bill eliminates the cap.

***** ANALYSIS FROM -0838/P1 *****

EDUCATION

PRIMARY AND SECONDARY EDUCATION

Under current law, only private schools located in the city of Milwaukee may participate in the Milwaukee Parental Choice Program (MPCP). This bill provides that any private school located in Milwaukee County may participate in the MPCP.

***** ANALYSIS FROM -0839/P1 *****

EDUCATION

PRIMARY AND SECONDARY EDUCATION

Under current law, private schools participating in the Milwaukee Parental Choice Program (MPCP) must annually administer examinations approved by the state superintendent to pupils attending the school under the program and enrolled in grades four, eight, and ten. The private school must also administer examinations in reading and mathematics required under the federal No Child Left Behind Act to pupils enrolled in grades three to eight and grade ten. This bill replaces the current examination requirements and requires, instead, that private schools participating in the MPCP annually administer a nationally normed standardized test in reading, mathematics, and science to pupils attending the school under the program and enrolled in grades four, eight, and ten.

***** ANALYSIS FROM -0841/P2 *****
EDUCATION

PRIMARY AND SECONDARY EDUCATION

Under current law, each school district must hold school for 180 days each school term and must schedule at least 437 hours of direct pupil instruction in kindergarten, at least 1,050 hours of direct pupil instruction in grades one to six, and at least 1,137 hours of direct pupil instruction in grades seven to twelve. With some exceptions, the state superintendent must withhold state aid from a school district if the school district fails to hold school for 180 days. If, however, a school district holds less than 180 days of school as a result of a strike by school district employees, instead of withholding state aid from the school district, the amount of state aid is reduced to account for the amount of shared costs not incurred by the school district as a result of the strike.

This bill eliminates the requirement that a school district hold school for 180 days each year. The bill replaces the requirement that the state superintendent withhold state aid from a school district that fails to hold school for 180 days with a requirement that the state superintendent withhold state aid from a school district that fails to provide the hours of direct pupil instruction specified above. Finally, the bill substitutes the requirement that a school district that fails to hold school for 180 days as a result of a strike of school district employees receive a reduction in state aid with a requirement that a school district that fails to provide the hours of direct pupil instruction specified above as a result of a strike of school district employees receive a reduction in state aid.

***** ANALYSIS FROM -0844/P1 *****
EDUCATION

PRIMARY AND SECONDARY EDUCATION

Current law generally limits the increase in the total amount of revenue per pupil that a school district may receive from general school aids and property taxes in a school year to the amount of revenue increase allowed per pupil in the previous school year increased by the percentage change in the consumer price index. Several adjustments to the revenue limits are permitted. For example, if a school board adopts a resolution to do so, the school district's revenue limit is increased by the amount spent by the school district in the second previous school year to pay the salary and fringe benefit costs of school nurses employed by the school board and school nurses providing nursing services in the school district under a contract with the school board. Current law also provides for revenue limit adjustments for the costs of school safety equipment and the compensation costs of security officers and for pupil transportation costs.

This bill eliminates each of the revenue limit adjustments described above.

***** ANALYSIS FROM -0851/2 *****
EDUCATION

PRIMARY AND SECONDARY EDUCATION

Under current law, school boards may enter into contracts with individuals, groups, businesses, or governmental bodies to establish charter schools, which

operate with fewer constraints than traditional public schools. Current law also permits UW-Milwaukee, UW-Parkside, the Milwaukee Area Technical College, and the city of Milwaukee to operate charter schools (independent charter schools) directly or to contract for the operation of charter schools. In general, only pupils who reside in the school district in which an independent charter school is located may attend the charter school.

This bill allows any four-year institution within the UW System to operate or to contract for the operation of a charter school with the approval of the Board of Regents.

Currently, if UW-Milwaukee establishes a charter school, it must be located in the city of Milwaukee. UW-Parkside may establish only one charter school. It must be located in a unified school district that is located in the county in which UW-Parkside is located (the Racine school district) or in an adjacent county, it may not enroll more than 480 pupils, and it may not operate high school grades. This bill eliminates all of these restrictions.

Currently, the Racine school district receives additional state aid if UW-Parkside establishes a charter school. This bill eliminates this payment.

***** ANALYSIS FROM -0852/1 *****

EDUCATION

PRIMARY AND SECONDARY EDUCATION

Under current law, state aid to independent charter schools is funded by a reduction in general school aid, applied on a prorated basis to all school districts. Current law provides that beginning in the 2011-12 school year, instead of reducing general school aid by the amount of charter school aid paid in the same school year, general school aid will be reduced by the amount of charter school aid paid in the 2010-11 school year.

This bill eliminates this cap on the reduction in general school aid described above.

***** ANALYSIS FROM -0853/1 *****

EDUCATION

PRIMARY AND SECONDARY EDUCATION

Under current law, no more than 5,250 pupils may attend virtual charter schools under the Open Enrollment Program in any school year. This bill eliminates this limit.

***** ANALYSIS FROM -0855/2 *****

EDUCATION

PRIMARY AND SECONDARY EDUCATION

Under the Open Enrollment Program (OEP), a pupil may apply to attend a public school in a school district other than the pupil's resident school district (nonresident school district) if certain conditions are met. Current law establishes a time line for filing and processing applications under the OEP. An application to attend a school in a nonresident school district is due between the first Monday in February and the third Friday following the first Monday in February. A school board that receives an application must forward a copy of the application to the

pupil's resident school board by the fourth Monday in February, and may not act on the application until after the third Friday following the first Monday in February. The resident school board may, under certain conditions, deny the pupil's enrollment in the nonresident school district; the resident school board must notify the applicant that its application has been rejected by the first Friday following the first Monday in April.

The nonresident school board must notify the pupil whether it has accepted the application by the first Friday following the first Monday in April and must provide the pupil with information about the specific program or school the pupil would attend by the second Friday following the first Monday in May. The pupil must inform the nonresident school board whether he or she will attend a school in the nonresident school district by the first Friday following the first Monday in June. By June 30, the nonresident school board must report the name of each pupil accepted under the OEP to the pupil's resident school board. Current law permits a nonresident school district to deny enrollment to a pupil who has been expelled from school for certain reasons, including for engaging in conduct while at school that endangered the health safety or property of others. A resident school district must provide copies of the disciplinary records of a pupil who has applied under the OEP to a nonresident school district that makes a request for such records.

This bill changes the time line for filing and processing applications under the OEP. Under the new time line, the nonresident school district must determine the number of regular education and special education spaces available within the school district at the January meeting of the nonresident school board (and, for the 2011-12 school year, at the February meeting of the nonresident school board). An application to attend a school in a nonresident school district is due between the first Monday in February and the last weekday in April. A nonresident school board that receives an application must forward a copy of the application to the pupil's resident school district by the end of the first weekday following the last weekday in April. The nonresident school board may not act on the application before May 1. The bill requires a resident school district to provide to a nonresident school district records pertaining to disciplinary proceedings involving a pupil who has applied to the nonresident school district under the OEP by the first Friday following the first Monday in May.

The bill also requires the resident school district to forward a copy of the individualized education program (IEP) prepared for a child with a disability who applies to the nonresident district under the OEP. If the resident school district fails to comply with this requirement, the nonresident school district may charge the resident school district for any actual, additional costs incurred by the school district to provide the special education and related services to the child. This bill requires the nonresident school district to prepare an estimate of the costs to implement an IEP prepared for a child with a disability who has applied to attend a school or program in the nonresident school district, and to provide the resident school district with a copy of the estimate by the third Friday following the first Monday in May. If the nonresident school district fails to provide the information by the required date, the nonresident school district may not charge the resident school district for

the costs to provide the special education and related services to the child with a disability. If the resident school board will deny the pupil's enrollment in the nonresident school district, the resident school board must notify the applicant that its application has been rejected on or before the second Friday following the first Monday in June.

The nonresident school board must notify the pupil whether it has accepted the application on or before the first Friday following the first Monday in June, and if the school board has accepted the application, it must provide the pupil with information about the specific program or school the pupil would attend at that time. The pupil must inform the nonresident school board whether he or she will attend a school in the nonresident school district by the last Friday in June. By July 7, the nonresident school board must report the name of each pupil accepted under the OEP to the pupil's resident school board.

The bill also creates an alternative application process, with a separate time line, under the OEP. Under the alternative process, the pupil must satisfy one of the following criteria: 1) the resident school district determines that the pupil has been the victim of a violent criminal offense, as defined by DPI by rule; 2) the pupil is or has been a homeless pupil in the current or immediately preceding school year; 3) The pupil has been the victim of repeated bullying or harassment, the parent has reported the bullying or harassment to the resident school board, and the repeated bullying or harassment continues; 4) the place of residence of the pupil's parent or guardian and of the pupil has changed as a result of military orders; 5) the pupil has moved into this state; 6) the place of residence of the pupil has changed as a result of a court order or custody agreement or because the pupil was placed in a foster home or with a person other than the pupil's parent, or removed from a foster home or from the home of a person other than the pupil's parent; or 7) the parent of the pupil and the nonresident school board agree that attending school in the nonresident school district is in the best interests of the pupil.

A nonresident school district that receives an application under the alternative time line must immediately forward a copy to the resident school board and must notify the applicant, in writing, whether it has accepted the application no later than 20 days after receiving it. The resident school district may notify an applicant that the pupil may not attend a school or program in the nonresident school district only if it determines that the criterion relied on by the applicant does not apply to the pupil or determines that the costs of special education or related services would impose an undue financial burden on the child's resident school district.

Current law limits the increase in the total amount of revenue per pupil that a school district may receive from general school aids and property taxes to the amount of revenue increase allowed per pupil in the previous school year increased by the percentage change in the Consumer Price Index. Several adjustments to the revenue limits are permitted. This bill permits a school district to increase the revenue limit applicable to the school by the amount of any reduction to the school district's payment from DPI in the previous year for a pupil who was not included in the calculation of the number of pupils enrolled in that school district in the previous year.

Current law requires DPI to annually report to the governor and the appropriate committees of the legislature on the number of pupils who applied to attend school in a nonresident school district under the OEP, the number of applications denied, and the bases for the denials, and the number of pupils attending public school in a nonresident school district under the OEP. This bill requires DPI to provide more detailed information about participation in the OEP, including information about whether pupils were accepted under the regular or alternative application process and, if the latter, which criterion the applicant applied under.

***** ANALYSIS FROM -0856/1 *****

EDUCATION

PRIMARY AND SECONDARY EDUCATION

Current law requires that each school district employ a reading specialist certified by DPI to develop and coordinate a comprehensive reading curriculum. This bill eliminates this requirement.

***** ANALYSIS FROM -0858/P1 *****

JUSTICE

Under current law, the Office of Justice Assistance within DOA makes grants to counties that establish programs to provide alternatives to prosecuting and incarcerating criminal offenders who abuse alcohol or other drugs.

This bill requires counties that receive these grants to provide a 25 percent funding match.

***** ANALYSIS FROM -0885/1 *****

HEALTH AND SOCIAL SERVICES

CHILDREN

Under current law, certain federal social services block grant (SSBG) moneys and certain federal temporary assistance for needy families (TANF) moneys that are authorized to be used to purchase or provide social services under the SSBG program are appropriated to DHS for distribution to counties as community aids for social, mental health, developmental disabilities, and alcohol and other drug abuse services. In addition, certain federal block grant moneys are appropriated to DCF for the purpose of providing aids to individuals or organizations. This bill directs those SSBG, TANF, and other block grant moneys to be transferred to a new appropriation of DCF created under the bill and distributed to counties for services for children and families.

***** ANALYSIS FROM -0905/P2 *****

This is a preliminary draft. An analysis will be provided in a subsequent version of this draft.

***** ANALYSIS FROM -0912/2 *****

CORRECTIONAL SYSTEM

JUVENILE CORRECTIONAL SYSTEM

Current law requires the Office of Justice Assistance in DOA (OJA) to allocate \$500,000 in each fiscal year to enter into a contract with an organization to provide

services in Milwaukee County, \$150,000 in each fiscal year to enter into a contract with an organization to provide services in Racine County, \$150,000 in each fiscal year to enter into a contract with an organization to provide services in Kenosha County, \$150,000 in each fiscal year to enter into a contract with an organization located in ward two in the city of Racine to provide services in Racine County, \$150,000 in each fiscal year to enter into a contract with an organization to provide services in Brown County, and \$100,000 in each fiscal year to enter into a contract with a discretionary organization, for the diversion of youths from gang activities into productive activities (Youth Diversion Program). Current law also requires OJA to distribute not more than \$300,000 in each fiscal year to the organization providing services in Milwaukee County for alcohol and other drug abuse (AODA) education and treatment services for participants in that organization's program.

This bill requires OJA to reduce the allocations for the Youth Diversion Program by \$85,900 for the organization providing services in Milwaukee County, \$25,650 for each of the organizations providing services in Racine County, Kenosha County, and Brown County, and \$18,100 for the discretionary organization in each of fiscal years 2011-12 and 2012-13. The bill also requires OJA to reduce the amount distributed to the organization providing services in Milwaukee County for AODA education and treatment services by \$46,600 in each of those fiscal years.

***** ANALYSIS FROM -0939/P2 *****

STATE GOVERNMENT

STATE FINANCE

Under current law, any unencumbered balance at the end of a fiscal year in DRL's appropriation for general program operations or in OCI's appropriation for general program operations is retained in that appropriation account. This bill provides that any unencumbered balance in either of those appropriations at the end of a fiscal year that exceeds 10 percent of that year's expenditures from the appropriation lapses to the general fund.

Also under current law, any unencumbered balance at the end of a fiscal biennium in DRL's biennial appropriation for the general program operations of the medical examining board is retained in that appropriation account. The bill provides that any unencumbered balance in that appropriation at the end of a fiscal biennium that exceeds 10 percent of that biennium's expenditures from the appropriation lapses to the general fund.

***** ANALYSIS FROM -0970/2 *****

HEALTH AND HUMAN SERVICES

MEDICAL ASSISTANCE

Under the expanded medicare buy-in program under current law, Medical Assistance (MA) pays premiums, deductibles, and coinsurance for Medicare coverage for elderly or disabled persons who are entitled to coverage under Medicare Part A or under Medicare Part A and Part B and whose income and resources are sufficiently low to satisfy the eligibility criteria under the program. For persons entitled to Medicare Part A and Part B, current law limits payment of coinsurance for a service under Medicare Part B to the allowable charge for the service under MA

minus the Medicare payment. This bill limits, for persons entitled to Medicare Part A or to Medicare Part A and Part B, payment of coinsurance for a service under Medicare Part A to the allowable charge for the service under MA minus the Medicare payment.

***** ANALYSIS FROM -0982/1 *****

EDUCATION

PRIMARY AND SECONDARY EDUCATION

Current law directs DPI to award grants to nonprofit organizations, cooperative educational service agencies, and the Milwaukee Public Schools for the purpose of providing advanced curriculum and assessments for gifted and talented pupils.

This bill allows DPI to award grants to the UW-Madison as well, but requires that all grants must be for the purpose of providing to gifted and talented pupils those services and activities not ordinarily provided in a regular school program that allow such pupils to fully develop their capabilities.

***** ANALYSIS FROM -0986/3 *****

HEALTH AND HUMAN SERVICES

MEDICAL ASSISTANCE

Under current law, DHS administers the Medical Assistance (MA) program, which provides health services to individuals who have limited resources. One of the benefits that MA provides is hospital care, and therefore DHS reimburses certain hospitals for the care provided to MA recipients. In addition to those reimbursements, DHS currently makes supplemental payments to certain hospitals, including essential access city hospitals. This bill eliminates the supplemental payments from the MA program to essential access city hospitals.

***** ANALYSIS FROM -0988/1 *****

EDUCATION

HIGHER EDUCATION

This bill prohibits a technical college district board's tax levy for operations in 2011 and 2012 from being greater than its tax levy for operations in 2010. If a district board's levy exceeds the allowable amount, the Technical College System Board must reduce the district's state aid payments by the amount of the excess levy unless DOR determines that the district board's excess levy was caused by a clerical error made by DOR or a taxation district or county clerk.

***** ANALYSIS FROM -1003/P4 *****

TAXATION

INCOME TAXATION

Under current law, for each taxable year that a corporation that is a member of a combined group has net business loss carry-forward from a taxable year beginning on or after January 1, 2009, the corporation may, after using such net business loss carry-forward to offset its own income for the taxable year, use the remaining net business loss carry-forward to offset the income of all other members of the combined group.

Under this bill, for each taxable year that a corporation that is a member of a combined group has net business loss carry-forward from a taxable year beginning prior to January 1, 2009, the corporation may, after using such net business loss carry-forward to offset its own income for the taxable year, use up to 5 percent of the remaining net business loss carry-forward to offset the income of all other members of the combined group.

***** ANALYSIS FROM -1019/4 *****

HEALTH AND HUMAN SERVICES

PUBLIC ASSISTANCE

Under current law, income maintenance programs are administered by counties, except for Milwaukee County, and by tribal governing bodies through contracts with DHS. The Milwaukee County enrollment services unit within DHS (Milwaukee unit) administers income maintenance programs in Milwaukee County. Income maintenance programs are currently specified in the statutes as the Medical Assistance program, including BadgerCare Plus; the food stamp program; and the funeral, burial, and cemetery expenses program under which county departments of social services or human services pay cemetery, funeral, and burial expenses for decedents who, during life, received certain public assistance benefits and whose estates are insufficient to pay those expenses.

This bill requires DHS to establish an income maintenance administration unit (IM unit) in DHS to administer income maintenance programs in all counties. Under this bill, administration of income maintenance programs specifically includes receiving applications, determining eligibility, conducting fraud investigations, implementing error reduction procedures, and recovering overpayment of benefits. This bill provides that, until the IM unit is prepared to assume income maintenance administration from counties, DHS may continue to delegate income maintenance administrative functions to counties, on a county by county basis. Similarly, under this bill, the Milwaukee unit will continue to administer income maintenance programs for Milwaukee County until the IM unit is prepared to administer income maintenance programs in Milwaukee County. This bill requires that the IM unit administer income maintenance programs for all counties no later than May 1, 2012. The Milwaukee unit is eliminated when the IM unit assumes income maintenance program administration in Milwaukee County or on May 1, 2012, whichever is earlier.

Under current law, DHS administers two programs that provide supplemental payments to individuals who are eligible to receive federal supplemental security income (SSI). The first program provides supplemental cash payments, known as state supplemental payments, to an individual who qualifies for SSI because the individual is elderly, blind, or disabled. The second program, known as the caretaker supplement program, provides additional cash payments to an individual who receives SSI, state supplemental payments, or both, and is a custodial parent of a dependent child. This bill transfers the administration of the state supplemental payment program and the caretaker supplement program to DCF.

***** ANALYSIS FROM -1033/3 *****

ENVIRONMENT

WATER QUALITY

Under the Clean Water Fund Program, this state provides financial assistance for projects for controlling water pollution, including sewage treatment plants. One form of financial assistance provided under the Clean Water Fund Program is a loan at a subsidized interest rate.

Under current law, the interest rate for projects that are necessary to prevent a municipality from exceeding a pollution limit in its wastewater discharge permit is 60 percent of the market interest rate, which is the interest rate on bonds issued by the state for the Clean Water Fund Program. The interest rate for projects for the treatment of nonpoint source pollution and urban storm water runoff is 65 percent of the market interest rate and the interest rate for projects for unsewered municipalities is 70 percent of the market interest rate. This bill changes the interest rate for all of these kinds of projects to 80 percent of the market interest rate.

The budget bill for each fiscal biennium establishes the present value of the subsidies that may be provided under the Clean Water Fund Program during that fiscal biennium. This bill sets the present value of the Clean Water Fund Program subsidies that may be provided during the 2011-13 biennium at \$54,400,000. The bill also increases the revenue bonding authority for the Clean Water Fund Program by \$353,000,000.

Another form of financial assistance that this state provides under the Clean Water Fund Program is financial hardship assistance. A municipality is eligible for this type of assistance if the median household income of the municipality is 80 percent or less than the state median household income and if the estimated total annual charges per residential user that relate to wastewater treatment would exceed 2 percent of the median household income in the municipality without financial assistance. Current law limits the amount that this state may provide in the form of financial hardship assistance to 15 percent of the total Clean Water Fund Program present value subsidy in a fiscal biennium. This bill changes the percentage to 5 percent.

Under the Safe Drinking Water Loan Program, this state provides loans to local governmental units for projects for the construction or modification of public water systems. The loans are provided at subsidized interest rates. The budget bill for each fiscal biennium establishes the present value of the subsidies that may be provided under the Safe Drinking Water Loan Program during that fiscal biennium. This bill sets the present value of the Safe Drinking Water Loan Program subsidies that may be provided during the 2011-13 biennium at \$30,700,000. The bill also increases the general obligation bonding authority for the Safe Drinking Water Loan Program by \$9,400,000.

Under current law, DNR is required to establish a funding list for each fiscal year that ranks projects under the Safe Drinking Water Loan Program for which a local governmental unit has submitted an application for financial assistance. Under current law, in any fiscal biennium, a local governmental unit may not receive more than 25 percent of the amount of the present value of the Safe Drinking Water Loan Program subsidies established for that biennium. This bill changes that limit

to not more than 25 percent of the funds that DOA projects will be available for financial assistance under the Safe Drinking Water Loan Program for that biennium.

***** ANALYSIS FROM -1037/1 *****

COMMERCE AND ECONOMIC DEVELOPMENT

BUILDINGS AND SAFETY

This bill transfers from the petroleum inspection fund to the transportation fund \$19,500,000 in each year of the fiscal biennium.

***** ANALYSIS FROM -1050/P2 *****

ENVIRONMENT

RECYCLING

Current law generally prohibits a person from disposing of certain materials in a landfill or incinerator. The materials include aluminum containers, glass containers, certain plastic containers, and office paper. Current law also requires a municipality to operate a recycling or other program to manage solid waste in compliance with the disposal restrictions, except that a county may assume this responsibility in place of municipalities within the county. DNR administers a program that provides financial assistance to local governments that operate recycling programs that satisfy criteria specified in current law.

This bill eliminates the requirement that a municipality or county operate a recycling or other program to manage solid waste in compliance with the disposal restrictions. The bill also eliminates the financial assistance program for local governmental recycling programs. The bill modifies the disposal restrictions that cover materials like aluminum containers so that an individual is prohibited from placing the materials in a container the contents of which will be disposed of in a landfill or incinerator.

***** ANALYSIS FROM -1051/P2 *****

TAXATION

INCOME TAXATION

Under current law, a taxpayer may elect to include in its combined group, for income and franchise tax reporting purposes, every corporation in its commonly controlled group, regardless of whether such corporations are engaged in the same unitary business of the taxpayer. If DOR determines that the election has the effect of tax avoidance, DOR must disregard the election's tax effect or disallow the election. Under this bill, DOR may not disallow such an election, or disregard its effect, regardless of whether DOR determines that the election has the effect of tax avoidance.

***** ANALYSIS FROM -1052/P6 *****

SHARED REVENUE

This bill reduces the total amount of county and municipal aid payments beginning in 2012. The total amount of the reduction for all counties is \$42,898,400 and the total amount of the reduction for all municipalities is \$72,889,000. The reductions are allocated, generally, based on population and limited for each county